

PROGRAMME FOR DEVELOPMENT OF THE SOUTHEAST PLANNING REGION

2015 - 2019

Strumica,

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1. INTRODUCTION

The Law on Balanced Regional Development (Official Gazette of the Republic of Macedonia, No. 63/07) defines the basic framework for balanced regional development policy management in the country and prescribes the planning documents for its implementation. Article 5 of the Law prescribes the establishment of planning regions in the Republic of Macedonia as functional territorial units for the needs of development planning and implementation of measures and instruments aimed at stimulating development.

Planning regions correspond to the statistical regions as defined by the Nomenclature of Territorial Units for Statistics NTES 3 (Official Gazette of the Republic of Macedonia, No. 158/2007), with the purpose of providing a statistical basis for planning regional development.

According to the Nomenclature of Territorial Units, there are 8 planning regions in the Republic of Macedonia: Vardar, East, Southwest, Southeast, Pelagonia, Polog, Northeast and Skopje Planning Region. In accordance with the legal framework, planning regions are the main unit of development planning in the Strategy for Regional Development of the Republic of Macedonia 2009 – 2019.

The first strategic documents concerning planning regions were prepared and adopted within different time periods from 2008 to 2010. Over the past period, planning regions, upon their establishment, have adopted the Programmes for development of planning regions 2010 – 2014 with mutual coordination of stakeholders and mainly with the support of various international donors. The first Programme for Development of the Southeast Planning Region was prepared in the period March – December 2007, that is to say, before the establishment of the Centre for Development of the Southeast Planning Region, with broad participation of stakeholders and with the support of the GTZ REDEM Project. Afterwards, the Programme was partially revised and in 2010 it was approved by the Council for Balanced Regional Development of the Republic of Macedonia together with the programmes of other planning regions.

Regional development is a complex and long-term process which main objective is to lower the disparities in development between and within planning regions. Regional development is founded on its complexity and multidimensionality, that is to say, interweaving the economic, demographic, social, spatial, cultural and many other perspectives of development. For that reason, the successful implementation of regional development policy directly depends on the broader understanding of the regional development concept, efficient linking of regional development policy with sectoral policies and securing the necessary support by relevant institutions.

In that context, regional development presumes continuous financial support by the state and, at the same time, a high degree of coordination between ministries, stakeholders on regional and local level, and international organisations for development cooperation.

As a result of the aforementioned, the second in turn Programmes for development of all 8 planning regions were prepared at the same time and cover the same period (2015 – 2019), which is a period following the process of revision of the Strategy for Regional Development of the Republic of Macedonia (2009-2019). The development and the contents of the Programmes were outlined fully in line with the Rulebook on the Methodology for Preparation of Planning Documents for Regional Development (Official Gazette of the Republic of Macedonia, No. 102/2009).

The development of the Programme for Development of the Southeast Planning Region for the period 2015 – 2019 was done with the support of the German Society for International Cooperation (GIZ), Programme for Regional Economic Development in the Republic of Macedonia (GIZ RED), and in coordination with the Ministry of Local Self-Government and the line ministries participating in the work of the Council for Balanced Regional Development of the Republic of Macedonia. The development of the Programme for Development of the Southeast Planning Region was financially supported by the German Federal Ministry of Economic Cooperation and Development (BMZ), the Swiss Agency for Cooperation and Development (SDC) and the European Union (EU).

2. MANNER AND METHODOLOGY OF DEVELOPMENT OF THE PROGRAMME

The process of development of the Programme was implemented by the Centre for Development of the Southeast Planning Region in close coordination with the Ministry of Local Self-Government (MLSG) and the Bureau for Regional Development (BRD), the line ministries and with participation of all stakeholders from the Southeast region. The elaboration of the Programme for Development of the Southeast Planning Region 2015 – 2019 was done with the support of the Programme for Regional Economic Development in the Republic of Macedonia (GIZ RED). In line with the obligations arising from the Law on Balanced Regional Development, the Centre for Development of the Southeast Planning Region coordinates the process of development and implementation of the Programme for Development of the Planning Region.

The Programme defines the goals and priorities of development of the Southeast Planning Region in the period from 2015 to 2019.

In the process of development of the new Programme, the results of the mid-term evaluation were taken into consideration, but also full coordination and compliance was ensured with the revised Strategy for Balanced Regional Development of the Republic of Macedonia 2009 – 2019.

Namely, the revised Strategy for Balanced Regional Development 2009 – 2019 served as a basis for the Southeast Planning Region in defining its priorities in the priority sectors within the process of preparation of the Programme for the forthcoming period from 2015 to 2019.

In the process of preparation of the Programme for Development of the Southeast Planning Region, what was taken into account was for it to be implemented in a transparent manner and with the participation of all stakeholders. The process of preparation of the Programme was conducted in the period August – December 2014, which was rather dynamic, complex and accompanied by certain challenges. This was preceded by the final assessment of the implementation of the Programme for Development of the Southeast Planning Region 2010 – 2014. The report, among other things, states that the Centre for Development of the Southeast Planning Region, apart from other activities, had successfully directed its attention mainly towards implementing projects proposed by the Council for Development of the Southeast Planning Region. Thereby, it is stated that the Centre should strengthen its main role in networking stakeholders on regional level and ensuring coordination with other regions and with the institutions on central level.

The following long-term goals were defined in the previous Programme 2009 - 2014:

1. The Southeast region should produce quality, branded gardening, vineyard and orchard products and processing demanded on regional and global markets
2. Increase employability by increasing the number of SMEs, development of competitiveness and active measures for human resource development
3. Develop a new and improve the existing physical infrastructure, especially the one related to transport, energy, IT, in order to support the economic growth and improve the overall competitiveness of the region
4. Develop bathing, cultural – historical, village and alternative tourism by cooperation with neighbouring regions and countries
5. Protect and improve the environment by exploiting renewable energy sources and sustainable development and
6. Promote the region and attract direct investments for sustainable development
7. Social development

In addition, the previous Programme contained four development priorities, as follows:

- Agriculture and rural development,
- Physical infrastructure, especially transport infrastructure,
- Competitiveness of the corporate sector and increasing employment and
- Human resource development and reducing unemployment.

In line with the 2010 – 2014 Programme, 35 short-term goals, 20 priorities and 100 programmes were defined.

The methodology for preparation of the new Programme for Development of the Southeast Planning Region 2015 – 2019 (as well as of all other programmes in the remaining planning regions) should establish the relation with the relevant stakeholders in the region on a sound basis and in a transparent and comprehensive manner; by their direct involvement and contribution to the preparation process, but also to the process of its implementation. The process itself of preparation of the programme and involvement of stakeholders should serve as the basis for strengthening the real function of the Centre for Development of the Southeast Planning Region, that is to say, their coordinative role in the implementation of programmes, promotion of development opportunities in the planning region and provision of expert and technical support for the stakeholders on regional level (public, private and civil sector).

In the process of preparation of the Programme for Development of the Southeast Planning Region, the Centre for Development of the Southeast Planning Region was supported by a team of local consultants. The consultants had a short-term mission to assist the Centre for Development of the Southeast Planning Region in facilitating and moderating the process of preparation of the Programme for Development of the Southeast Planning Region. The expert team was selected by the Centre for Development of the Southeast Planning Region in coordination with the GIZ RED Programme.

The process of preparation of the Programmes in all 8 planning regions in the Republic of Macedonia, including the Southeast Planning Region, commenced by organising an initial meeting which was held on August 19th, 2014, in Skopje, with the participation of all stakeholders: Cabinet of the Deputy Prime Minister for economic affairs in charge of the Council for Balanced Regional Development of the Republic of Macedonia, Ministry of Local Self-Government, Bureau for Regional Development, mayors, heads and employees of the 8 Centres for development of planning regions. During the meeting, guidelines and directions were provided as to the implementation of the whole process, as well as the expectations of the new programmes for development of planning regions. The initial conclusion and expectations were that they should be broad enough on the one hand in ensuring comprehension and relevancy, and sufficiently focused on the other so as to correspond to the real function of the Centres for development of planning regions, their coordinative role, promotion of development opportunities in the region and provision of expert and technical support for the stakeholders on regional level. At the same time, the Programmes should be designed in such a way that they are realistically feasible with respect to the funds available for their financing.

At the beginning and throughout the process of preparation of the Programme, the principles of how it will be implemented were defined, as follows:

- Observing the legal framework
- Transparency and
- Participation of stakeholders.
- The abovementioned principles were respected during the whole process by:
- Maintaining an open approach in operations (publicity)
- Participation offered to all stakeholders
- Possibility for full involvement in the process
- Alignment and coordination and
- Provision of joint proposals and reaching mutual conclusions.

The implementation of activities and coordination featured accelerated dynamics, all with a view to achieving the desired results according to the envisaged working plan by which the Programme was supposed to be developed and approved by the end of 2014. First of all, the division of priority sectors to be analysed was aligned. Such grouping was done in order to conduct focused screening analysis which aim was to give a clear overview of the current situation in the region.

According to the plan, 3 series of two one-day workshops were planned and organised. All workshops were held in Strumica.

For the preparation of the analyses foreseen, working groups were set up consisting of the workshop participants according to the following sectors:

1. Economy and Investments Sector;
2. Tourism and Culture Sector;
3. Social Policy and Education Sector;
4. Transport and Infrastructure Sector;
5. Agriculture and Rural Development Sector and
6. Environment Sector.

Each series of workshops comprised two one-day workshops where stakeholders were divided in two larger groups for the sake of enhanced focusing, and each group covered several sectors, as follows:

- First group: Social Policy and Education, Economy and Investments, and Tourism and Culture;
- Second group: Transport and Infrastructure, Environment, and Agriculture and Rural Development.

The first workshop for the first group was held on 11.09.2014, and for the second group on 12.09.2014. The agenda of the first workshop encompassed: Description of the goals and measures of the previous Programme 2010 – 2014, short overview of the conducted final assessment regarding the implementation of the Programme 2010 – 2014, preparation of PEST and SWOT analyses, as well as defining the vision and mission of the region. In line with the actual dynamics and the need for discussion in the working groups, the item of defining the vision and mission of the region was postponed for the next series of workshops.

The second workshop for the first group was held on 02.10.2014, whereas for the second working group on 03.10.2014. The agenda of the second workshop encompassed: Defining the vision and mission of the region, overview and discussion on the PEST and SWOT analyses prepared during the previous workshop by giving remarks, comments and complementing them; Defining strategic goals and priorities, as well as defining measures per priority for each strategic area (sector) individually with a brief theoretical introduction.

The third workshop for the first group was held on 28.10.2014, whereas for the second group it was held on 29.10.2014. The agenda of the third series of workshops encompassed a presentation of the PEST and SWOT analyses aligned according to the remarks and comments given by working groups and the additions provided by the expert team. In line with the SWOT analyses defined in this way, the strategic goals and priorities defined during the previous workshop were complemented and corrected and measures per priority were initially defined. During the same workshop, indicators were also defined on the level of priorities for each strategic area (sector) individually.

Line ministries that have direct influence on regional policy in certain sectors, and thereby direct influence on the implementation of planning documents tackling the region, were contacted and invited to join working meetings by the Ministry of Local Self-Government and GIZ RED.

Additional alignment of SWOT analyses per sector, strategic goals, priorities and measures was done during coordination meetings between the Centre for Development of the Southeast Planning Region, the relevant line ministries and agencies and GIZ RED. The working meeting on aligning the goals, priorities and measures for development of the Southeast Planning Region with the Ministry of Social Policy, Ministry of Science and Education and Ministry of Finance was held on 03.11.2014 in the premises of GIZ Macedonia in Skopje.

The second working meeting on aligning the goals, priorities and measures for development of the Southeast Planning Region with the Ministry of Transport and Communications, Ministry of Agriculture, Forestry and Water Economy was held on 04.11.2014. This meeting was also used for additional alignment and coordination with the Centre for Development of the Southeast Planning Region.

The third working meeting on aligning the goals, priorities and measures for development of the Southeast Planning Region was held on 10.11.2014 together with the Ministry of Economy, Ministry of Culture, Macedonian Bank for Reconstruction and Development and Agency for Education and Mobility. During the meeting, the goals, priorities and measures were additionally aligned with the Ministry of Local Self-Government and the Bureau for Regional Development.

The final conference aimed at publicly presenting the draft Programme of the Southeast Planning Region was held on 27.11.2014 in Strumica with the attendance of over 100 participants. During this conference, following the public presentation of the draft Programme, all stakeholders had the chance to interactively give additional remarks and additions with regard to the strategic goals, priorities and measures defined in the Programme. Some of the remarks were inserted in the final version of the document. The final conference was followed by an intensive process of alignment of the comments of all stakeholders, as well as the remarks and comments of the Centre for Development of the Southeast Planning Region, by which the Programme for Development of the Southeast Planning Region 2015 - 2019 was successfully finalised.

3. POINTS OF CONTACT BETWEEN THE PROGRAMME AND THE EU 2020 STRATEGY

In the course of the implementation of the activities aimed at preparing and implementing the Programme for Development of the Southeast Planning Region, the Centre for Development of the Southeast Planning Region in cooperation with the expert team and the GIZ RED Programme, apart from national legal provisions, rulebooks and strategic documents, as well as documents on local level, also took into consideration European principles, initiatives and strategic documents.

The Programme is in line with the European 2020 Strategy, titled "A European Strategy for Smart, Green and Inclusive Growth". The main objectives are designed to unify EU's economic, social and environmental agendas in an appropriately structured and coherent manner.

The EU 2020 Strategy has the purpose of promoting the policy of mutual cooperation, and at the same time, of reinforcing the process of European integration, offering a stronger vision and governance model.

Europe 2020 is based on knowledge and innovation, aiming at increasing employment, but still delivering social cohesion, and in a sustainable perspective (both in competitive and environmental terms).

The Europe 2020 Strategy lays out five measurable targets to be achieved in the European Union by the year of 2020:

- 75% of the 20-64 year-olds to be employed,
- 3% of the EU's GDP to be invested in research and development,
- Climate and energy targets, so called Agenda 20/20/20 (reduction of greenhouse gas emissions by at least 20%, the share of total energy consumption from renewables to increase to 20%, and energy efficiency to reach 20%),
- Improvement of education (reducing the rates of early school leaving, as well as increasing the share of population completing third level or equivalent education), and
- Promotion of social inclusion, including reduction of poverty.
- The road that the European Union will take is channelled through initiatives and programmes which purpose is to reach the abovementioned targets which are a part of the Europe 2020 Strategy.

The nine flagship initiatives of the European Commission are:

1. Innovative European Union;
2. Youth on the Move;
3. A digital agenda for Europe;
4. A low-carbon, resource efficient Europe;
5. Clean and efficient energy;
6. An industrial policy for the globalisation era;
7. A new jobs agenda;
8. New skills for new jobs; and
9. A European platform against poverty.

All aforementioned initiatives are also directly related to the Programme for Development of the Southeast Planning Region, as well as to the principle of regionalism of the European Union.

Unemployment as an issue is directly related to education and the "production" of qualified and mobile labour force adaptable to the labour market and according to the needs of the "real sector", that is to say, the business sector.

National strategies and the remaining documents are in line with the abovementioned targets and initiatives of the European Union.

The relations of the Programme with the Climate Change and Energy Efficiency sector are the third priority encompassed by the European Union 2020 Agenda. This part covers change in several segments.

Reducing greenhouse gas emissions, energy production from renewable energy sources, as well as increase in energy efficiency, initiatives directly related to the environment sector.

CAP is the Common Agricultural Policy of the European Union. It is implemented through a system of agricultural subsidies and programmes. Apart from the agricultural perspective, this policy is in line with the environmental and humanitarian norms and standards of the EU 2020 Agenda, especially with regard to:

Smart growth – by increasing energy efficiency and introducing competitiveness through: technological knowledge and innovation, development of values and quality products, development of “green” technologies and use of information and communications technology, investment in strengthening capacities (training), stimulating innovation in rural areas, as well as progress of already launched research.

Sustainable growth – by food, feed and sustainable production base, ensuring sustainable land management, monitoring reduction of biodiversity, promotion of renewable energy sources, strengthening the health of animals and plants, increase in energy efficiency through technological development and use of research results, additional reduction of greenhouse gas emissions, and full development of rural sector potentials.

Inclusive growth – by opening the economic potential in the rural sector, developing local markets and employment, accompanied by restructuring agriculture and supporting the revenues of farmers with the purpose of reaching sustainable agriculture in Europe.

From the perspective of rural development, EU defines the following 6 priorities:

1. Transfer of know-how and innovation in agriculture, forestry and rural areas – as a horizontal priority,
2. Competitiveness of farms and risk management,
3. Food chain organisation,
4. Renewal of or reinforcing ecosystems,
5. Promotion of efficient exploitation of resources,
6. Social inclusion, reducing poverty and rural economic development.

All this would mean significant development of the agricultural sector and rural areas and achieving economic growth by protecting the environment, and thereby improving the living conditions and increasing the standard of living.

In the course of the preparation of the Programme for Development of the Southeast Planning Region, apart from national, regional and local strategies and important action documents, for the sake of harmonisation, strategic documents of the European Union were also taken into consideration.

4. CHARACTERISTICS OF THE SOUTHEAST PLANNING REGION

4.1 Location

The Southeast Planning Region stretches across the south easternmost part of the Republic of Macedonia and covers the area of Strumica-Radovish and Gevgelija-Valandovo Valley, that is to say, the river basin of Strumica River and the lower flow of Vardar River on the move south of Demir Kapija. The geographical coordinates of the region are situated between 22°59' 6" and 22° 26' 6" geographical width and 41°07' and 41°40' geographical length. Above sea level altitude as the third geographical coordinate dimension varies between 64 m and 2,157 m above sea level.

To the south, the Southeast Planning Region borders the Republic of Greece, to the east the Republic of Bulgaria, whereas to the north and to the west the East Planning Region and Vardar Planning Region.

The region covers in full the already mentioned valleys and the mountain massif Belasica in the south, Ograzhden in the east, Plachkovica in the north, Srta in the central part and Kozhuf Mountain on the eastern side.



Image 1. Relief map of the Southeast Planning Region

Vardar River and Strumica River valleys provide communication linkage of the region with the neighbouring countries Republic of Greece in the south and Republic of Bulgaria in the east, whereas in the north and in the east with the East Planning Region and Vardar Planning Region.



Image 2. Southeast Planning Region

According to the data of 2013, 8,4% of the total population in the Republic of Macedonia lives in the region. The region covers a total area of 2.733,62 km², that is to say, 10,63% of the total area of the country, with population density of 62,5¹ inhabitants per km², which makes this region the fifth in the country as per population density.

A total of 10 municipalities comprise the Southeast Planning Region: Municipality of Bogdanci, Municipality of Bosilovo, Municipality of Valandovo, Municipality of Vasilevo, Municipality of Gevgelija, Municipality of Dojran, Municipality of Konche, Municipality of Novo Selo, Municipality of Radovish and Municipality of Strumica.

Table 1. Comparative data on the total population size in the Southeast Planning Region and in the municipalities for the period 2002-2013

Municipality	Population (Census 2002)	Population (2013) ²	Area ³ (in km ²)	Populated areas ⁴
Municipality of Bogdanci	8.707	8.329	114,24	4
Municipality of Bosilovo	14.260	14.115	161,99	16
Municipality of Valandovo	11.890	11.883	328,00	29
Municipality of Vasilevo	12.122	12.798	230,42	18
Municipality of Gevgelija	22.988	22.831	479,93	17
Municipality of Dojran	3.426	3.344	129,16	13
Municipality of Konche	3.536	3.596	223,06	14
Municipality of Novo Selo	11.567	10.957	237,79	16
Municipality of Radovish	28.244	28.915	497,50	36
Municipality of Strumica	54.676	50.615	321,53	25
TOTAL	171.416	173.472	2.733,62	188

Source: Agency for Real Estate Cadastre – AREC GIS

Of the 10 municipalities, four are characterised by urban areas, as follows: Strumica, Gevgelija, Radovish and Valandovo⁵.

4.2 Climate and hydrographical characteristics

The specific geographical and topographical location of the Southeast region provides for long hot summers with high mid-day temperatures and reduced quantity of rainfall, as well as lower winter temperatures and emergence of winds from all directions. Winds characteristic for this region are the following: north-westerly wind, south-westerly wind, as well as the north wind and the south warm wind.

The region features a long period of days of sunshine and high light intensity having a strong influence on fructification. Having a total of 230 sunny days annually or calculated by hours, 2,377 hours of sunshine on annual level, the Southeast region is one of the sunniest regions in the Republic of Macedonia. Fog is rare in the region and on average it amounts to 20 days throughout the whole year.

The whole region may be divided into three micro regions, as follows: Strumica-Valandovo, Gevgelija and the micro region Radovish-Konche.

The sub-Mediterranean influence coming from the Aegean Sea and the influence of the continental climate reduce the quantity of rainfall on annual level, as well as the temperatures in the winter season. The situation in the micro region Radovish-Konche mildly differs from these climate characteristics, having a more expressed continental climate (warm continental climate) as a result of the average above sea level altitude of 400-707 metres.

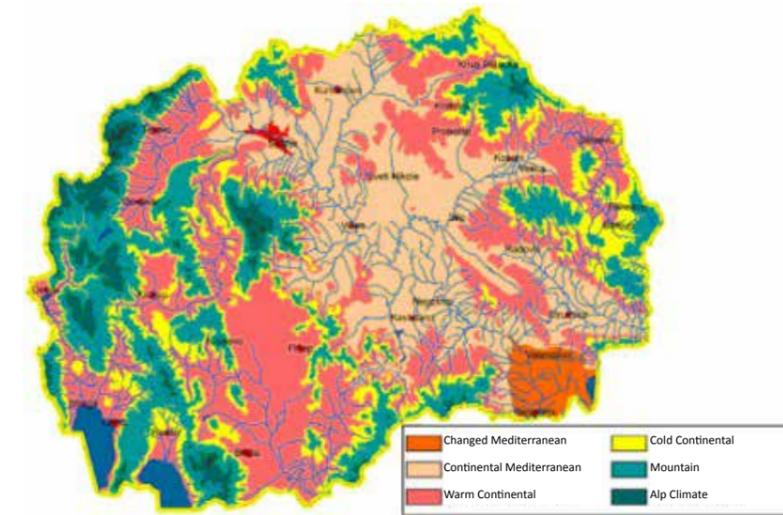


Image 3. Map with climate types in the Republic of Macedonia⁶

The average annual temperatures in the plain part of the region range between 12,5°C and 13°C, whereas in the highest parts of mountain massifs up to 7,5°C. When it comes to this average, the area of Dojran and Valandovo is distinguished by an annual temperature of up to 25°C. July and August are the warmest months, with an average temperature of up to 23°C, and January is the coldest month with 1,2°C.

Rivers in the Republic of Macedonia belong to three drainage basins - Aegean (rivers Vardar and Strumica), Adriatic (Crn Drim) and Black Sea (Binachka Morava), with a total area of 25.713 km². The Southeast region belongs to the Aegean Sea drainage basin with a total area of 1.784 km². The drainage basin area of Strumica River (Vodocha, Turija, Radovishka, Podareshka and Cironska River) covers 1.535 km² and the drainage basin area of Dojran Lake (Luda Mara River) 120 km², or a total area of 1.649 km².

The average annual rainfall in the region amounts to 563 mm, with considerable differences between mountainous and plain areas, and is below the average annual rainfall in the Republic of Macedonia amounting to 680 mm.

4.3 Natural resources and characteristics

The micro region Radovish-Konche is also characterised by excavation sites and exploitation of mineral non-metallic raw materials, such as decorative stones used for construction and decoration. This material is recognisable and is used on the whole territory of the Republic of Macedonia.

Of the mineral metallic raw materials, in the Municipality of Radovish there is iron-zinc ore, copper, gold, silver, chromium and uranium, whereas in the Municipality of Konche there is limestone, marble and copper.

In the micro region of Strumica, the Hamzali mine for exploitation of feldspar is of sodium nature and is the only one in the Republic of Macedonia and on the Balkans. The Memeshli mine for exploitation of marble limestone is one of the rarest in the Republic of Macedonia for exploitation of this type of mineral.

Over the past few years, there have been numerous examinations conducted on the mountain Ograzhden in close proximity to the populated place of Ilovica. According to the examinations, there are serious indications for the existence of potential sites of copper and gold.

The Southeast region as an area is the poorest one in terms of water resources. The existence of low quantities of water is reflected in all segments of life: population water supply (especially in rural areas), industry and irrigation of agricultural arable lands. Apart from quantities, the situation regarding water quality is also poor and often the flow of water is below the biological minimum. The total annual quantity of water amounts to approximately 132 million m³.

Even though Dojran Lake is the smallest lake in the country, it is of utmost importance for the whole region, both in hydrographical, and in economic and tourism terms. It is located in the south easternmost part of the country. Dojran Lake is the third natural lake as per size in the Republic of Macedonia, and it belongs to

1 Statistical Yearbook of RM, population density according to 1994 and 2002 Census.

2 State Statistical Office – Estimations on 30.06. 2013 and 31.12. 2013

3 Agency for Real Estate Cadastre of the Republic of Macedonia

4 State Statistical Office

5 Law on Territorial Organisation of the Local Self-Government in the Republic of Macedonia, Official Gazette 55/2004 of 17.08.2004

6 <http://www.igeografija.mk/>

the drainage basin area of Vardar River. It covers a total area of 43 km², 25.62 km² of which belong to the Republic of Macedonia, whereas 17.07 km² to Greece. The average depth amounts to 6.7 m, whereas the greatest depth amounts to 10 m. Dojran Lake is an isolated ecosystem with quite specific flora and fauna and is recognisable as per 15 species of fish and a specific fishing method.

Of the artificial water storages, more significant are Vodocha and Turija in Strumica region. Vodocha Lake feeds from the watercourse of Vodochnica and Trkajana rivers. The lake is situated on 44 m above sea level altitude, covering an area of 1,94 km² and has a capacity of 27,7 million m³.

Turija Lake feeds from the watercourse of Turija River, bearing the same name actually. The water storage covers an area of 0,16 km², and has a capacity of 48 million m³.

Strumica River, apart from its left tributary Turija, is also the recipient of Oraovichka and Plavija rivers. The only tributary on the right side is Vodochica River. Other micro water storages in Strumica River's drainage basin are: Drvoshka - in the Municipality of Bosilovo, Ilovica - in the Municipality of Bosilovo, Novoselska - in the Municipality of Novo Selo and Markova Dam - in the Municipality of Strumica.

The water storage Paljurci is built on Luda Mara River or Stara River, springing from Kara Blija Mountain and draining in the area Tumba, Municipality of Bogdanci, which purpose is irrigation of arable lands, and it has a usable volume of 2,8x106 m³.

In the micro region of Radovish, there is a large quantity of groundwater, springs and surface watercourses and mineral waters, which are not commercially utilised at the moment. A hydrographical network may be noticed in these lands which is divided into two main parts, i.e. two river basins. Stara River is the one watercourse and it drains into Strumica River, whereas the other is Kriva Lakavica River which drains into Bregalnica River. Other rivers in Radovish region are: Sushica, Pirava, Sirava and Plavaja.

Mantovsko Lake, which territorially belongs to the Municipality of Konche, feeds from the watercourse of Kriva Lakavica River. The lake is situated on 402,4 m above sea level altitude, covers an area of 4,94 km² and has a capacity of 49 million m³.

In Gevgelija valley, Vardar River is the largest water recipient, and at the same time it is the largest drainage system – source of groundwater. It has a great number of tributaries which feature a very low quantity of water and they largely dry out during summer. As the most important hydro resources are to be mentioned the water storages Bogodorica, Topolec, Dos, Kalica, etc.

In the area of Dojran, there is a water storage titled Chinarli, which has a usable volume 0,25x106 m³.

The micro regions of Strumica and Gevgelija feature thermo-mineral hydro potential.

Approximately 12 km south-eastern from the town of Strumica, in the foot of the mountain Belasica, is located the village Bansko, and in close proximity to the village are the thermo-mineral springs of Banja Bansko. Banja Bansko is the most important site in the region in terms of spa tourism. There are five thermo-mineral springs, one of which, being the largest at the same time, has been harnessed and is being exploited. The remaining four spill freely without any special harnessing. The water temperature of the spring which is being exploited amounts to 71°C. Other springs have a temperature of 56°C.

In the micro region of Gevgelija is the complex of Negorski Banji (baths). They are located 5 km north-western from Gevgelija. The thermo-mineral springs have a temperature ranging between 38 and 40°C (40°C of hot and 38°C of cold springs).

4.4 Level of development of the Southeast Planning Region

In December 2008, a decision was adopted on measuring the level of development of planning regions in the Republic of Macedonia. According to this decision, the development index is defined as a weighted average of the economic-social index and the demographic index, whereby both indices have an equal share in the creation of the development index.⁷ If the index is 1, then the level of development of the planning region is equal to the average development of the Republic of Macedonia. An index higher than 1 signifies higher, and an index lower than 1 means lower level of development of the planning region compared to

⁷ The following indicators are used in determining the economic-social index: gross domestic product per inhabitant, budget revenues per inhabitant, value added growth of the non-financial sector and unemployment rate, whereas the demographic index is determined on the basis of the natural population increase, aging ratio, net migration per 1000 inhabitants and graduated students per 1000 inhabitants (Official Gazette of the Republic of Macedonia, No. 162/08). <http://www.slvesnik.com.mk/Issues/F87DFED2EA8F844C918B-9063FA004815.pdf>

the average development on the level of the Republic of Macedonia. In the following table, taken from the Strategy for Balanced Regional Development of the Republic of Macedonia 2009-2019, the development index of regions is presented for the period between 2008 and 2012.

Table 2. Classification of planning regions according to their level of development for the period 2008-2012

Planning region	According to the development index	According to the social-economic index	According to the demographic index
Skopje	1.48	1.86	1.25
Southeast	0.89	1.38	0.58
Pelagonia	0.73	0.79	0.69
Southwest	0.72	0.50	0.86
Polog	0.72	0.18	1.05
Vardar	0.69	0.63	0.73
East	0.67	0.95	0.50
Northeast	0.56	0.33	0.70

Source: Decision on classification of planning regions according to their level of development for the period 2008-2012⁸

According to the Decision on classification of planning regions according to their level of development for the period 2008 – 2012, the Southeast region has a level of development of 0.89, which means that it was ranked second following Skopje Planning Region. It should be underlined that the region has an exceptionally high economic and social index of 1,38, and together with Skopje Region, is the sole region having a level of development higher than the national average. Table 2 is shown for the purpose of comparison with the new classification.

The new classification of planning regions according to their level of development for the period from 2013 to 2017 was adopted in June 2013⁹. Unlike the previous classification, the index value of the Republic of Macedonia was changed in the new one, and now it amounts to 100, instead of 1.

Table 3. Classification of planning regions according to their level of development for the period 2013-2017

Planning region	According to the development index	According to the social-economic index	According to the demographic index
Skopje	151,0	147,7	153,5
Southeast	97,1	129,5	72,4
Pelagonia	91,2	109,1	79,6
Southwest	81,4	97,7	69,0
Polog	82,4	50,0	106,9
Vardar	73,5	70,5	75,9
East	96,1	136,4	65,5
Northeast	62,7	27,3	89,7

Source: Decision on classification of planning regions according to their level of development for the period 2013-2017

The Southeast region has a level of development of 97,1, which means it is ranked second after Skopje Planning Region. The economic and social index of the region is higher than the national average and amounts to 129,5, whereas the demographic index is lower than the national average and it amounts to 72,4.

Compared to the former classification¹⁰, it is remarkable that both the development index of the region and the demographic index of the region have increased (development index from 89 to 97,1, and demographic index from 58 to 72,4), but the value of the economic and social index has decreased (from 138 to 129,5).

⁸ Official Gazette No. 162/2008

⁹ Official Gazette No. 88/2013

¹⁰ The index of RM was changed (from 1 to 100) so as to enable comparison of both decisions on classification of regions.

5. DEMOGRAPHIC CHARACTERISTICS AND DEVELOPMENT

The table below shows indicators which serve to position and compare the Southeast Planning Region in view of the remaining planning regions with regard to several demographic characteristics.

In the comparative analysis, first of all general indicators are presented for all eight planning regions in the Republic of Macedonia, including the number of municipalities and populated areas in each region separately. The basic demographic indicators refer to: total population in accordance with the last Census conducted in the Republic of Macedonia in 2002 and population estimation in 2013¹¹, population density, total number of dwellings and average number of members per dwelling.

Table 4. Comparative analysis of the demographic indicators of the Southeast Planning Region and other planning regions

Indicators	Vardar	East	South-west	South-east	Pelago-nia	Polog	North-east	Skopje
Number of municipalities	9	11	13	10	9	9	6	17
Number of populated areas	215	217	286	188	343	184	192	142
Total population, Census 2002	154.535	181.858	221.546	171.416	238.136	304.125	172.787	578.144
Percentage of population in the Republic of Macedonia 2002	7,64	8,99	10,95	8,48	11,77	15,04	8,54	28,58
Population estimation, 2013	153.487	178.270	220.325	173.383	232.367	317.975	175.711	612.514
Percentage of population in the Republic of Macedonia 2013	7,43	8,63	10,67	8,39	11,25	15,39	8,51	29,65
Population density, 2013	38,0	50,4	66,0	63,3	49,3	131,6	76,1	337,8
Total number of dwellings, Census 2002	61.367	72.248	84.627	59.499	93.976	78.544	59.488	188.394
Average number of members per household, Census 2002	3,2	3,1	3,8	3,4	3,3	4,4	3,7	3,5

Source: State Statistical Office of the Republic of Macedonia (Census 2002 and "Regions in the Republic of Macedonia 2014")

The total population size in the Southeast Planning Region from 2002 to 2013 increased by 1,13%, whereas compared to the total population in the Republic of Macedonia it decreased by 0,1%.

Population in the region is evenly distributed with a medium density of 63,3¹² inhabitants per km² and 59.499 dwellings¹³.

Table 5. Comparative demographic data about the Southeast Planning Region, 2009-2013

Year	2009	2010	2011	2012	2013
Men	117.408	117.250	116.979	116.656	116.289
Women	117.080	116.887	116.649	116.303	115.824
Total	234.488	234.137	233.628	232.959	232.113

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2014"

¹¹ State Statistical Office of the Republic of Macedonia – population estimation in 2013

¹² According to the population estimation for 2013

¹³ Statistical Yearbook of RM, population density according to 2002 Census

In the total population size, the number of male population is higher. However, the difference between men and women, as shown in Table 5, is minimal and has no influence on the demographic imbalance.

People aged 20-60 years of age have the largest share in the total population.¹⁴

On the other hand, the mechanical brain drain of registered persons having left the region is insignificant, which does not significantly contribute to a decrease or an increase in the population size.

Table 6. Demographic data about the Southeast Planning Region 2009-2013 on the mechanical brain gain and brain drain of population (immigrated/emigrated) inside the region

Year	2009	2010	2011	2012	2013
Immigrated population	210	250	271	254	195
Emigrated population	261	240	274	292	259

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2012 and 2014"

With regard to internal migration¹⁵, the Southeast region marks an upward trend of emigrated population, except for 2010, when there were more immigrated than emigrated citizens. In 2013, the number of immigrated population to the region significantly decreased, by 21,6% compared to 2012. The number of emigrated population in rural municipalities in the region is higher than the number of immigrated population.

Table 7. Demographic data about the Southeast Planning Region 2009-2013 on the mechanical brain gain and brain drain of population (immigrated/emigrated) outside the region

Year	2009	2010	2011	2012	2013
Immigrated population	36	75	117	117	138
Emigrated population	2	8	24	9	2

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2012 and 2014"

The situation with external migration¹⁶ is opposite to the internal migration, that is to say, the number of emigrated population marks a continuous growth over the whole analysed period 2009-2013 and a mild stagnation in 2013.

A feature of the overall migration is that the number of emigrated and immigrated population over the analysed period is quite low and insignificantly influences the population structure in the region. The reason for this situation is perhaps the inadequate registration of migrants by the state and the responsible institutions when keeping records of such cases. Nevertheless, it is a general statement that the data available do not reflect the actual situation of immigrated and emigrated people in and from the region.

Main conclusions concerning the demographic characteristics

What is important to be mentioned is the trend of stagnation in population increase, the quite high trend of population activity, the highest employment rate and lowest unemployment rate compared to other regions.

Important parameters reflecting the situation in the Southeast region worth underlining:

- In the Southeast Planning Region, a quite uneven distribution of population is noticed in urban centres and rural areas. Of the total number of inhabitants, over 2/3 or 173.472 inhabitants live in rural areas.

- The percentage of population aged 0-14 is within the national average.
- The percentage of population aged over 65 is within the national average.
- The age dependency ratio is identical with the national average.
- The death rate among infants is high and is higher than the national average over the whole analysed period (lowest average of 5,7 marked in 2013 compared to the national average of 10,2).
- The total fertility rate in the region in 2013 amounted to 1,38 and it provides for renewal of population on the level of simple reproduction.
- The rate of concluded marriages in 2013 was 6,7 (per thousand inhabitants). There is a high divorce rate in the region of 1,0 (higher rate than this is to be found only in Polog region).
- Low rate of enrolled pupils in primary education of 7,8.
- Low rate of enrolled students in secondary education of 7,4.
- A quite low rate of enrolled and graduated students. The lowest number of graduated students 661 (year of 2013).
- Highest population activity rate amounting to 69,9%. It is the highest compared to all regions and is higher than the national average. The employment rate amounting to 56,8% is also the highest compared to all regions and is higher than the national average. The unemployment rate is the lowest in the country and amounts to 18,8%.
- The development index value of the Southeast Planning Region amounts to 0,89, that is to say, 11 index points below the national average and is ranked second as per development (following Skopje Planning Region). The economic-social index amounts to 1,38, i.e. 38 index points above the national average, and the demographic index is 0,58.¹⁷
- According to the new classification for the period 2013 – 2017, the development index of the Southeast region amounts to 97,1, the economic-social index to 129,5, whereas the demographic index to 72,4.¹⁸

¹⁴ For more detailed information, please visit <http://makstat.stat.gov.mk/>, website of the State Statistical Office

¹⁵ Internal migration comprises movements of the population inside the region and change in the residence address

¹⁶ External migration comprises movements of the population outside the region

¹⁷ Decision on classification of planning regions according to their level of development for the period 2008-2012, Official Gazette No. 162/2008

¹⁸ Decision on classification of planning regions according to their level of development for the period 2013-2017, Official Gazette No. 6p.88/2013

6. ECONOMIC CHARACTERISTICS OF THE SOUTHEAST PLANNING REGION

The Southeast Planning Region achieves significant results in the economy of the Republic of Macedonia. Following Skopje region, this region has the most dynamic growth. In the economy structure all economic sectors are represented, of which the most important are: agriculture, construction, trade, mining, textile industry, tobacco industry and catering. Even though the industry predominates, services also show an exceptionally dynamic growth. However, the Southeast Planning Region is mainly an agricultural region having excellent climate conditions for the production of early fruit and vegetables, as well as fresh vegetables and fruit.

The following section shows the trends of macroeconomic indicators, the structure of enterprises and the indicators of foreign trade operations.

6.1 Macroeconomic indicators

The gross domestic product (GDP) is the most frequently used indicator for determining the level of economic growth of regions and countries. The following table shows the following: total amount of GDP of the Republic of Macedonia and the GDP of the Southeast Planning Region in millions of Denars, as well as the percentage share of the Southeast region in the total GDP of the country.

Table 8. Gross domestic product of the Republic of Macedonia and of the Southeast region in the period 2009 - 2012

Year	GDP in millions of Denars		Percentage share (%) in the total GDP
	Republic of Macedonia	Southeast region	
2009	409.100	32.785	8.01
2010	434.112	38.023	8.76
2011	459.789	44.688	9.72
2012	458.621	42.261	9.21

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2012 and 2014"

It can be inferred from the table above that in 2012, the inhabitants of the Southeast Planning Region, representing 8.4% of the total number of inhabitants in the country, generated 9.21% of its gross domestic product. Furthermore, over the period 2009 – 2011, the GDP growth rate of the region was much higher than the growth of the national gross domestic product. These data show that in spite of the fact that this period was preceded by the global economic crisis in 2008, the Southeast Planning Region marked a high GDP growth. In 2010, the GDP growth rate on national level was 6.1% compared to the previous year, whereas the GDP in the region rose by 15.9%. In 2011, the GDP on national level increased by 5.9%, whereas in the Southeast Planning Region by 17.5%. In 2012, the GDP on national level declined by 0.4%, whereas in the Southeast Planning Region by 4.5% compared to the previous year. It should be also highlighted that the Southeast Planning Region over the whole analysed period has continuously had the highest GDP compared to the remaining planning regions, with the exception of Skopje region, which indicates the region's dynamic economy with numerous possibilities and an investment potential in the production and services sector.

The gross domestic product per inhabitant is produced when the aggregate calculated gross domestic product on the level of the country is divided by the total population size in the country, that is to say, in the region.

Table 9. Growth of gross domestic product per inhabitant in the Republic of Macedonia and in the Southeast Planning Region in the period 2009 – 2012

Year	GDP per inhabitant in the Republic of Macedonia	GDP per inhabitant in the Southeast region	Index
2009	200.293	189.566	94.64
2010	211.246	219.714	104.01
2011	223.357	258.230	115.61
2012	222.384	244.207	109.81

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2012 and 2014"

The Southeast Planning Region generated a GDP of 3.970 EUR per inhabitant in 2012, which is higher by 9.8% than the average of the Republic of Macedonia. Over the analysed period, the largest amount of GDP per inhabitant in the region was marked in 2011, when it was 4.199 EUR, i.e. higher by 15.61% than the national average. The region marked the highest GDP growth in 2011, when the GDP per capita rose by 17.5% compared to the previous year.

The indices of all regions in the Republic of Macedonia are shown in the following table.

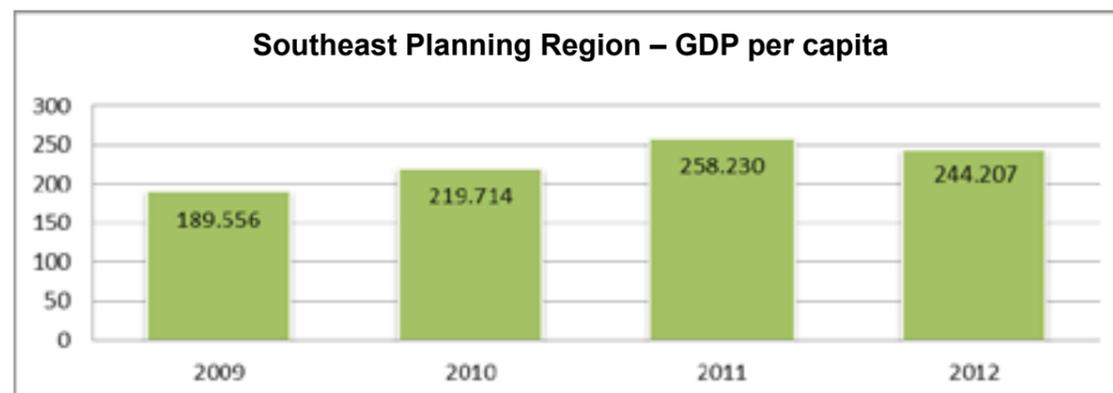
Table 10. Index of the gross domestic product per inhabitant in the planning regions, in the period 2009 – 2012

GDP per inhabitant	2009	2010	2011	2012
Republic of Macedonia	100,0	100,0	100,0	100,0
Vardar region	96,9	97,8	102,2	104,5
East region	85,1	97,9	92,6	92,2
Southwest region	70,0	73,6	72,6	78,1
Southeast region	94,6	104,0	115,6	109,8
Pelagonia region	109,7	106,7	102,0	95,0
Polog region	46,9	46,8	47,3	43,9
Northeast region	52,3	51,4	65,2	67,6
Skopje region	155,0	149,0	144,0	149,3

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2014" and calculations of the authors for 2012.

The following Diagram shows the trend and dynamics of growth and decline of GDP per capita in the Southeast Planning Region in the period 2009 – 2012.

Diagram 1. GDP per capita in the Southeast Planning Region in the period 2009 – 2012



Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia, 2014"

6.1.1. Gross value added according to the activity sector

In the development of the overall economy of the Southeast Planning Region, agriculture takes an important place. This statement is confirmed by the data presented in the table below, according to which the highest gross value added in the GDP structure in the region has the sector of agriculture. This sector participates in the GDP structure on national level with a share of 10,3%, whereas in the GDP structure of the Southeast Planning Region it has a share of 34,3%. Further on, it is interesting to emphasise that the Southeast Planning Region generates approximately one third of the total gross value added of this sector.

Table 11. Gross value added according to the more significant activity sectors in 2010, 2011 and 2012 in the Republic of Macedonia and in the Southeast region

Gross value added according to the activity sector/ in millions of Denars/						
More significant sectors	2010		2011		2012	
	R.Macedonia	Southeast region	R.Macedonia	Southeast region	R.Macedonia	Southeast region
Agriculture	43.739	13.028	43.895	12.974	40.705	12.515
Industry	81.803	5.232	87.048	6.902	70.198	5.923
Construction	23.902	1.806	29.924	2.553	31.166	2.279
Trade	77.176	4.908	83.316	6.912	85.261	6.441
Other activities	154.528	8.372	158.208	9.769	168.005	9.299
Total added value	381.148	33.346	402.392	39.110	395.335	36.457

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia, 2014"

Over the analysed period, there is a downward tendency of the share of value added of agriculture in the GDP structure in the region. Namely, in 2010, agriculture had a share of 39,06% in the total GDP of the Southeast region, in 2011 this share declined and amounted to 33,17%, whereas in 2012 this sector had a share of 34,33% in the total GDP of the region. What causes concern is the data that despite the increase in gross fixed capital formation in this sector¹⁹, the share of the sector in the total GDP in the period 2010 – 2012 decreased by 3,94%. One of the reasons for this situation is the negative trend of exports of the region.²⁰ It is necessary to analyse this situation in detail and to adopt measures for maintaining growth in this sector which is the primary moving force of the economic development in the region.

Industry has a relatively variable share in the GDP structure in the region, as follows: 15,70% in 2010, 17,64% in 2011 and 16,24% in 2012. There is room for further growth in this sector.

Growth of the gross value added can also be noticed in the sector construction and in activities related to real estate. What is encouraging is the growth of the share of construction in the total GDP, which is an indication of a dynamic economy with room for investments in housing and business buildings and other construction activities.

6.1.2. Gross fixed capital formation

The total nominal value of fixed capital investments on the level of the Republic of Macedonia marks a continuous increase, and they increased throughout the whole analysed period. In the Southeast Planning Region the situation is different. Namely, gross fixed capital formation increased only in 2010 compared to 2009, whereas in 2011 and 2012 it marked a tendency of decline. What is also worrying is the low share of fixed capital investments of the region in the total level of fixed capital investments of only 4,33% in 2013. This generally indicates that a very small percentage of gains is invested in purchasing new technologies and overall modernisation of companies. Enterprises from the region are still predominantly labour intensive with a low level of technical and technological equipment.

¹⁹ See Table 12. Gross fixed capital formation in the Republic of Macedonia and in the Southeast Planning Region, 2009 - 2012

²⁰ See Table 15. Export and import in the period 2008-2012

Table 12. Gross fixed capital formation in the Republic of Macedonia and in the Southeast Planning Region, 2009 - 2012

Year	Republic of Macedonia /amount in millions of Denars/	Southeast region /amount in millions of Denars/
2009	81.872	4.437
2010	82.968	5.775
2011	94.698	4.959
2012	105.443	4.561

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2014"

Gross fixed capital formation in more significant activity sectors in the Republic of Macedonia and in the Southeast Planning Region are shown in the following table.

Table 13. Gross fixed capital formation according to the activity sector in the Republic of Macedonia and in the Southeast region in 2010, 2011 and 2012

Gross fixed capital formation according to the activity sector (in millions of Denars)						
More significant sectors	2010		2011		2012	
	R.Macedonia	Southeast region	R.Macedonia	Southeast region	R.Macedonia	Southeast region
Agriculture	2.356	88	2.022	233	2.557	567
Industry	22.469	630	21.748	750	26.428	1.024
Construction	28.769	2.653	29.584	1.342	34.679	2.081
Trade	12.220	2.112	20.909	1.617	15.860	448
Other activities	17.152	290	20.435	1.017	25.919	441
Total	82.966	5.773	94.698	4.959	105.443	4.561

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2014"

In the Southeast Planning Region, over the analysed period from 2010 to 2012, investments in agriculture were continuously on the rise (from 88 to 233 and 567 million MKD, i.e. 544% compared to 2010), and in industry (from 630 to 750 and 1.024 million MKD, i.e. 62.5% compared to 2010).

Fixed capital investments in construction, even though being nominally the highest, marked a drastic fall, from 2.653 in 2010 to 1.342 million MKD in 2011, and then yet another increase to 2.081 million MKD in 2012. In trade, a continuous fall is noticed in terms of fixed capital investments from 2.111 million MKD in 2010 to 448 million MKD in 2012.

As a summary, over the analysed period it may be noticed that even though the gross domestic product has increased in the Southeast region, on the other hand, the either way low total fixed capital investments are decreasing. This means that a large share of the profits is not being invested in fixed capital and long-term investments. Thus, it is necessary to encourage and support business entities for larger fixed capital investments. The Southeast region had a share of only 4.33% in 2012 in the total gross fixed capital formation on national level.

6.2 Structure of enterprises

In order to determine the structure of enterprises in the region, several indicators have been analysed, such as: total number of active business entities, active business entities according to the number of employees and active business entities according to the sector they belong to.

According to the data of the State Statistical Office, the number of active business entities in 2013 in the Southeast region amounted to 6.083 and represented 8,5% of the total number of active business entities

in the Republic of Macedonia, which amounts to 71.290. If taken into consideration the number of inhabitants in the region, it may be concluded that 8,4% of physical persons and 8,5% of legal entities have a dwelling, that is to say, seat in the Southeast Planning Region.

Table 14. Number of active business entities according to the number of employees

Categorisation	Republic of Macedonia	Southeast region						
	2010	2011	2010	2011	2010	2011	2010	2011
Total	75.497	6.488	73.118	6.248	74.424	6.373	71.290	6.083
0 ²¹	10.756	653	6.674	355	7.158	414	4.415	295
1-9	59.276	5.304	60.620	5.361	61.053	5.410	60.599	5.247
10-19	2.483	254	2.754	269	2.937	274	2.989	273
20-49	1.568	153	1.698	152	1.795	153	1.787	146
50-249	1.211	112	1.187	103	1.280	113	1.291	111
250 +	203	12	185	8	201	9	209	11

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia, 2014"

The data from the table above show that in the period from 2010 to 2013, a fall was marked in the number of active business entities both on national level and on the level of the Southeast Planning Region (from 6.488 to 6.083). Micro enterprises are further on the moving force of the economy of the region and a confirmation for the entrepreneurial spirit of its inhabitants. The number of micro enterprises was continuously growing in the period from 2010 to 2012, and it marked a mild fall in 2013 (5.247). Moreover, the number of small enterprises remained almost unchanged (273), as well as the number of medium-sized enterprises, which number in 2010 was almost identical to the one in 2013 (112 in 2010, 111 in 2013). The number of large active business entities, having more than 250 employees, was only 11 in 2013. If taking into consideration the criterion number of employees, almost 85% of the total number of active business entities in the Southeast region are business entities numbering 1-9 employees.

Most of the active business entities in the Southeast region operate in the sector "Wholesale and retail trade; repair of motor vehicles and motorcycles" (2.493), followed by enterprises from the "Processing industry" (721) and enterprises from the sector "Transport and storage" (587). The least enterprises are active in the sector "Electricity, gas, steam and air-conditioning supply" (18) which is understandable, since this sector requires large investments. In 2013, compared to 2012, there is a decline in the number of active business entities in two key sectors in this region. Namely, the number of enterprises operating in the sector "Agriculture, forestry and fisheries" marked a decline from 371 to 330, as well as the number of processing facilities, which fell from 796 to 721.

6.3 Foreign trade operations

Over the analysed period (2009 – 2012), foreign trade operations of the Southeast Planning Region marked a downward tendency. In the aggregate foreign trade operations of the Republic of Macedonia, the Southeast region had a share of 8,6 - 10,2% in exports, that is to say, 4,9 - 5,7% in imports. Business entities from the region generated a deficit in 2012 in their foreign trade exchange in the amount of 25,5 million US Dollars.

²¹ Including business entities without a determined number of employees

Table 15. Export and import in the period 2008-2012

Year	EXPORT		IMPORT	
	Southeast region (%) ²²	Southeast region (millions of US Dollars)	Southeast region (%) ²³	Southeast region (millions of US Dollars)
2008	10,2	408,6	5,7	371,1
2009	11,5	460,7	5,4	351,6
2010	10,3	412,6	5,0	325,5
2011	8,3	332,5	4,7	306,0
2012	8,6	344,5	4,9	319,0

Source: State Statistical Office of the Republic of Macedonia "Regions in the Republic of Macedonia 2014" and calculations of the authors

It is necessary to continue and to intensify export-oriented operations taking into account that the Republic of Macedonia is a small market with a low absorption power. The Southeast region should invest in a larger-scale development of potentials and competitive industries, such as agriculture, processing and product packaging and exporting products of higher added value.

7. LABOUR FORCE MARKET

Population activity is calculated as the share of the labour force in the working-age population aged 15 to 79, whereas the employment rate, that is to say, unemployment rate, is calculated as the share of the number of employed/ unemployed people in the working-age population.

The population activity rate in 2009 amounted to 69.6% and was the highest of all regions and above the national average of 56,7%. The employment rate of 59,6% was also the highest compared to all regions and was higher than the national average. The unemployment rate was the lowest and it amounted to 14,4%.

The same trend was also maintained in the analysed year of 2013, whereby the population activity rate amounted to 69,9% and was the highest of all regions and above the national average. The employment rate of 56,8% was also the highest compared to all regions and was higher than the national average. The unemployment rate was the lowest and it amounted to 18,8%.

Table 16. Comparative social indicators and labour market indicators in the Republic of Macedonia and in the Southeast Planning Region for 2009 and 2013

Indicators	RM	Southeast	RM	Southeast
	2009		2013	
Activity rate	56.7	69.6	57,2	69,9
Employment rate	38.4	59.6	40,6	56,8
Unemployment rate	32.2	14.4	29,0	18,8

Source: State Statistical Office of the Republic of Macedonia (2002 Census and "Regions in the Republic of Macedonia 2012 and 2014")

Table 17. Labour market data - number of working-age population, activity, employment and unemployment of population in the Southeast Planning Region, 2009-2013

Indicators	2009	2010	2011	2012	2013
Working-age population	139.278	139.924	140.279	140.857	140.938
Activity rate	69,6	69,9	71,0	70,7	69,9
Employment rate	59,6	61,9	64,4	60,9	56,8
Unemployment rate	14,4	11,5	9,3	13,8	18,8

Source: State Statistical Office of the Republic of Macedonia (2002 Census and "Regions in the Republic of Macedonia 2012 and 2014")

According to the data of the State Statistical Office regarding population size estimation, the Southeast region marks a continuous increase in the population size, even though an insignificant one.

The population activity rate is the highest compared to the other regions and is significantly above the national average. It marked a continuous increase in the period 2009-2012, with a mild decline in 2013 compared to 2012.

The employment rate marked an increase in the period 2009-2011 from 59,6% to 64,4%, whereas in the years of 2012 and 2013, it marked a trend of decline, that is to say, it decreased from 60,9% to 56,8%. During the same period, the employment rate on national level amounted to 40,6%.

Even though the unemployment rate is the lowest compared to all other regions and is far from the national average, what causes concern is the trend of its continuous increase in the period 2011 - 2013, as well as the fact that in 2013, the unemployment rate as a percentage of the working-age population was the highest in terms of the whole analysed period. In 2012, unemployment rose to 13,8%, whereas in 2013 this rate was the highest of all the years in the analysed period and it amounted to 18,8%. The unemployment rate in the Southeast region was significantly higher in urban areas than in rural areas, which is due to the development of agriculture in the region²⁴. When it comes to the sex, the situation varies, but over the past two years the unemployment rate has been higher among women.

²² Republic of Macedonia = 100%
²³ Republic of Macedonia = 100%

²⁴ Third national report as to the UN Framework Convention on Climate Change, Ministry of Environment and Physical Planning, Government of RM, July 2013, Skopje

From the aforementioned, it may be concluded that in terms of these indicators, the Southeast region has a comparative advantage over all other regions in the country. However, the high growth of unemployment over the period 2012 – 2013 is worrying, as a result of which it is necessary to conduct a detailed analysis and to identify the reasons for this situation.

Nevertheless, the parameters concerning paid gross and net salary here are not among the highest with respect to other regions. In 2009, the gross salary, compared to the national average, was lower by 22,74%, whereas the net salary by 22,53%. In 2013, the gross salary was lower by 22,26% compared to the national average, whereas the net salary was lower by 22,15%.

The Southeast region is a leader in the country in terms of the employment rate, but not also in terms of the level of salaries paid. Namely, the average net salary paid per employee in the Southeast region in 2013 was 16.462 MKD, which is by approximately 46,5% lower than the average net salary paid on national level.

Table 18. Labour market data – gross and net salary paid in the Republic of Macedonia and in the Southeast Planning Region for 2010 and 2013

Indicators	RM	Southeast	RM	Southeast
	2010		2013	
Average gross salary paid per employee	30.225	23.353	31.025	24.120
Average net salary paid per employee	20.553	15.923	21.145	16.462

Source: State Statistical Office of the Republic of Macedonia (2002 Census and “Regions in the Republic of Macedonia 2012 and 2014”)

The amount of the average gross and net salary paid per employee according to the activity sector in the Republic of Macedonia and in the Southeast region in 2013 is shown in the table below.

Table 19. Average gross and net salary paid in 2013 in the Republic of Macedonia and in the Southeast region per sector according to the National Activity Classification (NAC) 2

Sectors	Active business entities according to NAC 2 classification per sector		Average gross salary paid per employee		Average net salary paid per employee	
	RM	SE region	RM	SE region	RM	SE region
Agriculture, forestry and fisheries	2.866	330	22.624	20.120	15.639	13.815
Mining and quarrying	164	11	35.041	-	23.293	-
Processing industry	7.918	721	23.007	18.497	15.747	12.704
Electricity, gas, steam and air-conditioning supply	132	6	54.131	-	36.362	-
Water supply, wastewater management, waste management, remediation activities	306	18	27.415	21.000	18.714	14.433
Construction	4.322	276	25.092	17.197	17.302	11.792
Wholesale and retail trade; repair of motor vehicles and motorcycles	25.429	2493	27.894	22.686	19.263	15.713
Transportation and storage	6.095	587	32.935	20.640	22.399	14.163
Accommodation establishments and food service activities	4.482	341	22.217	22.664	15.293	15.494
Information and communication	1.446	66	51.353	34.337	35.214	23.271
Financial and insurance activities	390	30	55.252	45.719	37.583	30.827
Real estate activities	485	23	37.145	-	25.183	-
Professional, scientific and technical activities	5.817	363	39.808	-	27.488	-
Administrative and support service activities	1.514	51	20.438	-	14.002	-
Public administration and defence; compulsory social insurance	258	20	37.056	34.434	25.054	23.144
Education	1.025	77	31.309	28.761	21.235	19.546
Human health and social work activities	3.315	268	33.839	29.177	23.104	19.832
Arts, entertainment and recreation	1.179	84	25.954	27.969	17.725	19.140
Other service activities	4.147	318	34.716	26.771	23.573	17.974
Total	71.290	6,083	31.025	24.120	21.145	16.462

Source: State Statistical Office of the Republic of Macedonia, “Regions in the Republic of Macedonia 2012 and 2014”

The average net salary paid in the Southeast region in 2013 marked a decline by 0,84% compared to 2012. The fall in salaries goes in parallel to the decrease in the number of business entities from 6.373 in 2012 to 6.038 in 2013. A similar decline is also noticed on national level. The highest paid average gross and net salary in the Southeast region in 2013 was in the sector “Financial and insurance activities” in the amount of 45.719 and 34.827 respectively, immediately followed by salaries in the sector “Information and communications” with a gross amount of 34.337 and a net amount of 23.271 MKD. The average salary paid in

the leading sector in the region, that is to say, in the sector “Agriculture, forestry and fisheries” is low and amounts to 13.815 MKD (net). The lowest salaries in the Southeast region are paid in the sector “Construction” (11.476, that is to say, 11.792 MKD).

8. SOCIAL POLICY, EDUCATION AND DEVELOPMENT

8.1 Social policy and development

With regard to social parameters, stagnation in the population size should be underlined as quite important information, which indicates a situation of simple reproduction without any signs of drastic increase and change. The percentage of population up to the age of 14 in the Southeast region is below the national average. Of the remaining regions, ones that have a percentage of population aged up to 14 higher than the Southeast region are the following: Polog, Northeast and Skopje region, whereas the Southwest region had a lower percentage in 2009, 2010 and 2011.

The region features a tendency of continuous increase in population aged 65 and over. The percentage increases continuously over the whole analysed period, whereas in the period from 2009 to 2013 it marked an increase of 0,7%.

The age dependency ratio amounted to 41,1% in 2013, it varies insignificantly and is in the range of the national average. What is of concern is the trend of increase in the age dependency ratio over the last three analysed years (2011, 2012 and 2013).

Table 20. Social parameters in the Republic of Macedonia and in the Southeast Planning Region for the period 2009 – 2013

Indicator	Southeast region					Average on national level (Republic of Macedonia)				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Population aged 0-14 (%)	17,1	16,9	16,5	16,6	16,5	17,9	17,6	17,3	17,1	16,9
Population aged 65+ (%)	11,9	12,1	12,2	12,4	12,6	11,6	11,7	11,8	11,9	12,2
Age dependency ratio	41,0	40,9	40,7	40,8	41,1	41,8	41,3	41,0	40,9	41,1
Live births (per 1000 inhabitants)	11,7	11,9	10,4	11,5	11,1	11,5	11,8	11,1	11,4	11,2
Deaths (per 1000 inhabitants)	9,8	10,0	10,0	10,1	9,8	9,3	9,3	9,5	9,8	9,3
Marriages (per 1000 inhabitants)	6,1	6,0	6,7	6,1	6,7	7,3	6,9	7,2	6,8	6,8
Divorces (per 1000 inhabitants)	0,9	0,8	1,0	1,0	1,0	0,6	0,8	0,9	0,9	1,0
Infant death rate	8,4	6,8	1,7	11,0	5,7	11,7	7,6	7,6	9,8	10,2
Total fertility rate	1,6	1,6	1,4	1,6	1,54	1,5	1,6	1,5	1,5	1,48
Average age of population	38	38	38	38	38,6	37	37	38	38	38
Average death age	71	71	72	72	72,5	71	72	72	72	72

Source: State Statistical Office of the Republic of Macedonia (2002 Census and “Regions in the Republic of Macedonia 2012 and 2014”)

The natural population increase as a difference between the number of live births and the number of deaths, as well as the number of concluded and divorced marriages over the analysed period (2009 – 2013) shows a trend of stagnation in the region. This situation in the future will actually influence the dynamics of the economic and the overall development of the region. The region maintains its level of simple reproduction, but if the trend goes on, it will additionally condition the need for an increase in human and financial resources in the social and health care field, which would mean an additional encumbrance of institutions and the real sector.

The rate of live births also varies and is in the range of the national average. It was the highest in 2010 with 11,9 (per 1.000 inhabitants), and the lowest in 2011 with 10,4 (per 1.000 inhabitants). The number of marriages and divorces follows the trend on national level, with a very few concessions, and it amounted to 6,1 in 2009, whereas in 2013 it amounted to 6,7.

The infant death rate varies and is below the national average, except for 2012 when it amounted to 11,0 (per 1.000 inhabitants), whereas the lowest infant death rate in the Southeast region was marked in 2011, when it amounted to 1,7 (per 1.000 inhabitants).

Marriages concluded in 2013 show a positive trend. It is quite high compared to the remaining indicators and is close to the national average. The number of divorces also follows the same pattern which is proportionate to the national average.

The trend of children taken care of in child care and educational institutions in the Southeast Planning Region marks a higher growth in 2013. The number of children taken care of in 2013 compared to 2012 rose by 297 or 12,01%, while compared to 2009 - by 586 or 23,70%.

Table 21. Data on children in child care and educational institutions in the Republic of Macedonia and in the Southeast Planning Region in the period 2009 - 2013

Children in child care and educational institutions – kindergartens, per year					
	2009	2010	2011	2012	2013
Republic of Macedonia	22.213	23.157	25.056	26.885	29.113
Southeast region	1.887	1.873	2.119	2.176	2.473
Percentage (%)	8,50	8,09	8,46	8,09	8,49

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

Table 21. Data on employees in child care and educational institutions in the Republic of Macedonia and in the Southeast Planning Region in the period 2009 - 2013

Employees in child care and educational institutions – kindergartens, per year					
	2009	2010	2011	2012	2013
Republic of Macedonia	3.665	3.739	3.815	3.937	4.087
Southeast region	334	339	338	343	342
Percentage (%)	9,11	9,07	8,86	8,71	8,37

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

The trend of employees in child care and educational institutions in the Southeast Planning Region is positive and shows an insignificant increase over the analysed period (2009-2013).

The number of recipients of social financial assistance per head of household in the Southeast Planning Region is continuously in decline. Over the period 2009-2012, the number decreased by 53,52% among household heads or by 54,70% among recipients of social financial assistance per household members. The continuous increase in the employment rate should be mentioned as one of the reasons. The second possible reason are the amendments to the Law on Social Protection (Official Gazette of the Republic of Macedonia, No. 79/2009), which make the criteria on pursuing the right to social financial assistance stricter.

The two parameters provide for enough arguments regarding the possible reasons for the low number of recipients of social financial assistance and its continuous decline.

Table 23. Recipients of social financial assistance per head of household in the Republic of Macedonia and in the Southeast Planning Region for the period 2009 - 2012

	Head of household (number of households)			
	2009	2010	2011	2012
Republic of Macedonia	49.515	44.940	36.991	33.717
Southeast region	3.180	2.073	1.702	1.702

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

Table 24. Recipients of social financial assistance per members of household in the Republic of Macedonia and in the Southeast Planning Region for the period 2009 - 2012

	Members of household (together with the head)			
	2009	2010	2011	2012
Republic of Macedonia	193.220	176.431	153.385	133.539
Southeast region	11.278	8.058	5.938	6.169

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

8.2 Education and development

The number of primary schools in the Southeast region amounted to 118 in 2013, whereby the number decreased by one school over the analysed period. The number of primary schools represents 11,94% of the total number of primary schools in the Republic of Macedonia (988). The number of schools as per the total population size and the number of enrolled pupils in primary education is quite high. The number of enrolled pupils is worrying and the percentage of 7,8% is among the lowest in the country (only Vardar Planning Region and the East Planning Region show a lower percentage).

The number of pupils per teacher is 9 and as information this is sufficient in terms of the quality of lessons. In addition, the number of pupils in primary schools is very low, only Pelagonia region shows a lower indicator. These two data indicate an unfavourable trend which in the long run could present a serious problem with regard to the age of the population in the region and the inability to achieve simple reproduction.

Table 25. Indicators in the field of primary education in the Southeast Planning Region for the period 2009 – 2013 (school year 2008/09 – 2012/13)

Indicator	2008/9	2009/10	2010/11	2011/12	2012/13
Number of primary schools	119 ²⁵	119 ²⁶	119 ²⁷	119 ²⁸	118 ²⁹
Teachers in primary education (%)	8.4	7.2	9.2	9.2	9.2
Pupils enrolled in primary education (%)	7.9	7.9	7.9	7.8	7.8
Number of pupils per school	139	136	132	129	126
Pupils in primary education per teacher	12	11	10	10	10

Source: State Statistical Office of the Republic of Macedonia (2002 Census and "Regions in the Republic of Macedonia 2012 and 2014"

The continuous decline of the number of pupils per school and pupils per teacher in primary education in the Southeast Planning Region is in correlation with the previous statements on the lowered birth rate and the continuous aging of population. On the one hand, this trend creates an image of appropriate conditions for pupils and teachers, but in principle it reflects the decrease in the population size and in the number of young population in the region.

²⁵ Data refer to mainstream primary schools at the beginning of the school year 2009/2010
²⁶ Data refer to mainstream primary schools at the beginning of the school year 2010/2011
²⁷ Data refer to mainstream primary schools at the beginning of the school year 2011/2012
²⁸ Data refer to mainstream primary schools at the beginning of the school year 2012/2013
²⁹ Data refer to mainstream primary schools at the beginning of the school year 2013/2014

The number of secondary schools in the Southeast Planning Region amounted to 8 in the school year 2012/2013, representing 7,08% of the total number of secondary schools in the Republic of Macedonia. It has the lowest number of secondary schools in the Republic of Macedonia. The number of enrolled students is quite low and it amounts to 7,4%, thereby only Vardar region features a lower percentage (6,7%). The data on students having completed their secondary education is worrying – marking a percentage of 6,9% which is convincingly the lowest one compared to all other regions and is below the national average. The number of students per teacher is 14 which should not be surprising, since the number of teachers in secondary schools is the lowest and it amounts to 6,4%.

Table 26. Indicators in the field of secondary education in the Southeast Planning Region for the school years 2008/09 – 2012/13

Indicator	2008/9	2009/10	2010/11	2011/12	2012/13
Number of secondary schools	7 ³⁰	7 ³¹	8 ³²	8 ³³	8 ³⁴
Teachers in secondary education (%)	6.3	6.3	6.4	6.3	6.4
Students enrolled in secondary education (%)	7.4	7.5	7.4	7.4	7.4
Students having completed secondary education (%)	6.9 ³⁵	6.8 ³⁶	7.5 ³⁷	7.2 ³⁸	6.9 ³⁹
Students in secondary education per teacher	16	16	15	14	14

Source: State Statistical Office of the Republic of Macedonia (2002 Census and “Regions in the Republic of Macedonia 2014”

With regard to pupils and students enrolled in primary and secondary education, the Southeast region follows the trend of continuous decline of the number of enrolled pupils and students. Such trend, according to statistical data, has been identified on the level of the whole country, with the exception of the number of students in secondary education in Polog and Skopje region in certain years.

The number of pupils in primary education in the Southeast region in the school year 2008/2009 was very low and it amounted to 16.798. The downward trend of the number of pupils has been maintained throughout the whole analysed period and in the school year 2012/2013 there were 15.318 pupils in primary education, which is a decline of 8,81% in the analysed period.

Table 27. Total number of pupils and students enrolled in primary and secondary education in the Republic of Macedonia and in the Southeast Planning Region for the school years 2008/09 – 2012/13

Indicator	2008/9	2009/10	2010/11	2011/12	2012/13
Number of pupils enrolled in primary education in RM	216 180	210 381	204 439	198 856	195 311
Number of pupils enrolled in primary education in the Southeast region	16.798	16.539	16.148	15.693	15.318
% of enrolled pupils compared to the national level	7,77	7,86	7,90	7,89	7,84
Number of students enrolled in secondary education in RM	93 843	95 343	94 155	93 064	89 884
Number of students enrolled in secondary education in the Southeast region	7.155	7.084	7.026	6.889	6.613
% of enrolled students compared to the national level	7,62	7,43	7,46	7,40	7,36

Source: State Statistical Office of the Republic of Macedonia, “Regions in the Republic of Macedonia 2012 and 2014”

The number of students in secondary education in the Southeast region in the school year 2008/2009 was very low and it amounted to 7.155 (there are less only in Vardar region). The region has maintained the same trend throughout the whole analysed period and in the school year 2012/2013 there were 6.613 students in secondary education, which is a decline of 8,57% compared to the school year 2008/2009.

When it comes to higher education, the indicators are again not most favourable. The number of graduated students per 1.000 inhabitants in the study year 2012/2013 amounted to 3,8. The absolute number of graduated students causes concern which in the study year 2012/2013 amounted to 661 and is the lowest in the country.

Table 28. Indicators in the field of higher education in the Southeast Planning Region compared to other regions for the study year 2012/2013

Indicators	Vardar	East	Southwest	Southeast	Pelagonia	Polog	Northeast	Skopje
Number of graduated students	749	894	844	661	1.117	1.105	729	3.067
Number of graduated students per 1.000 inhabitants	4.9	5.0	3.8	3.8	4.8	3.5	4.1	5.0

Source: State Statistical Office of the Republic of Macedonia, “Regions in the Republic of Macedonia 2014”

Table 29. Indicators in the field of higher education in the Southeast Planning Region compared to other regions for the period 2009 – 2013 (study year 2008/09 – 2012/13)⁴⁰

Indicator	2008/9	2009/10	2010/11	2011/12	2012/13
Number of enrolled students	4.344	4.380	4.814	/	/
Number of graduated students	596	638	653	795	661
Number of graduated students per 1.000 inhabitants	3,5	3,7	3,8	4,6	3,8

Source: State Statistical Office of the Republic of Macedonia, “Regions in the Republic of Macedonia 2012 and 2014”

⁴⁰ Remark: The number and the percentage of enrolled and graduated students are according to the place of residence.

³⁰ Data refer to mainstream secondary schools at the beginning of the school year 2009/2010
³¹ Data refer to mainstream secondary schools at the beginning of the school year 2010/2011
³² Data refer to mainstream secondary schools at the beginning of the school year 2011/2012
³³ Data refer to mainstream secondary schools at the beginning of the school year 2012/2013
³⁴ Data refer to mainstream secondary schools at the beginning of the school year 2013/2014
³⁵ Data refer to students having finished mainstream secondary school at the end of the school year 2008/2009
³⁶ Data refer to students having finished mainstream secondary school at the end of the school year 2009/2010
³⁷ Data refer to students having finished mainstream secondary school at the end of the school year 2010/2011
³⁸ Data refer to students having finished mainstream secondary school at the end of the school year 2011/2012
³⁹ Data refer to students having finished mainstream secondary school at the end of the school year 2012/2013

The number of enrolled and graduated students shown in the tables above indicates a positive trend in the Southeast region in terms of higher education, except for the year of 2013, when there was a reduced number of graduated students. Nevertheless, if we take into consideration the data on the number of graduated students, it can be noticed that it is the lowest one compared to all other regions both percentage-wise and as a figure. Compared to the national average, the number of graduated students in the Southeast region in 2008/09 amounted to 5,6%, in 2009/10 it amounted to 6,36%, in 2010/11 it was 6,66% and in 2011/12 8,19%.⁴¹

9. TRANSPORT AND INFRASTRUCTURE

9.1 Municipal infrastructure

The main issue in the preparation of this analysis was the lack of relevant and processed information. Most of the data is from the 2002 Census, as well as information which were provided by the units of local self-government and the Centre for Development of the Southeast Planning Region. The data itself is not systemised and classified according to previously set parameters according to which records are kept and it is different in all of the municipalities wherefrom it was provided. Thus, the information hereafter should be taken with a certain level of reservation.

The coverage of the Southeast region with a water supply network and organised water supply systems is approximately 87% and it largely covers the urban centres of municipalities. Population coverage in urban areas with drinking water systems is in a range of 95%. The water supply norm in the whole region ranges between 350 and 450 litres per day per inhabitant, which is an exceptionally high norm if taken into consideration that in highly developed urban centres this norm ranges between 100 and 120 litres per day per inhabitant. Estimated loss, including unpaid water, is an additional problem for a quality water supply and it amounts to approximately 40% on regional level.

The situation in the Southeast Planning Region with regard to wastewater treatment is quite poor. There is only one wastewater treatment plant in the whole region, located in Dojran, with a capacity of 3.000 equivalent inhabitants. The population coverage with wastewater treatment plants amounts to approximately 5,0%, which is significantly below the national average of 12,5%.

In rural areas, the percentage of drained wastewater ranges between 0% and 80%. In some of the rural areas, where septic tanks are used, they do not have sufficient capacity and spill over, and also there is the occurrence of direct discharge of wastewater in various surface channels or directly to agricultural lands.

The implementation of wastewater treatment plants in Strumica and Gevgelija is in the final stage of preparations. The implementation is planned to be financed by IPA funds of the European Union (IPA Component III Regional Development) and by funds of the state budget.

With regard to irrigation of agricultural land, the region belongs to two water economy areas, Strumica and Lower Vardar, and a very small part of the water economy Middle and Lower Bregalnica.

From the perspective of irrigation of agricultural crops, the Southeast region does not possess large sources of water. This means that in the future the water supply for irrigation purposes will need to be resolved by means of constructing dams and water storages. The biggest relief opportunities and hydrological features for such constructions are present on the territory of the Municipality of Radovish, as follows: Podareshka River (water storage Podaresh) and Oraovechka River (water storage Oraovechka), as well as a superstructure to the existing system of Mantovo located on the territory of the Municipality of Konche.

Table 30. Areas under irrigation systems in the Republic of Macedonia and in the Southeast region (ha)

	Total RM	Southeast	%
Individual sector	69.070	12.234	17,71
Business entities	10.568	2.350	22,24
Total	79.638	14.585	18,31

Source: <http://makstat.stat.gov.mk/pxweb2007/Dialog/Saveshow.asp>

Disposal of municipal solid waste in the Southeast Planning Region is performed in local or so called municipal landfills, which do not meet even the basic sanitary and technical standards for safe waste disposal. Not a single one of the landfills has an underground layer which would protect soil and groundwater. The greatest danger is posed by illegal landfills, numbering more than 700 sites according to unconfirmed information, where municipal and industrial waste is being disposed of in an uncontrolled manner which directly influences the environment and its pollution, and indirectly the health of the population.

Table 31 and Table 32 below show data on regional level with regard to water supply and discharge of untreated water.

⁴¹ <http://makstat.stat.gov.mk/>

Table 31. Water supply in the Republic of Macedonia and in the Southeast region (in thousand m³)

	Total RM	Southeast	%
2010	6.368.589	22.849	0,36
2011	5.869.979	98.816	1,68
2012	5.006.246	99.360	1,98

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2014"

The increase in the quantities of water supply in the years of 2010 and 2011 in the Southeast region may be as a result of collecting and aligning data on regional level. The quantities of water in the years of 2011 and 2012 were stable, even though in 2012 there was an increase of 0,55%. Nevertheless, if they are compared to the water quantities on national level, this will show a lack of water in the region.

Table 32. Discharge of untreated water in the Republic of Macedonia and in the Southeast region (in thousand m³)

	Total RM	Southeast	%
2010	6.221.267	16.406	0,26
2011	5.062.710	91.768	1,81
2012	4.808.627	91.712	1,91

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2014"

The increase in the quantities of discharged untreated water in the Southeast region may be as a result of collecting and aligning data on regional level. The quantities of discharged water in the years of 2011 and 2012 were stable, even though in 2012 there was a decline of 0,06%.

The difference between the quantities of water supplied and the quantities of discharged untreated water give the quantity of water which is either discharged non-polluted or is being treated.

9.2 Road infrastructure

Road transport and infrastructure play a key role in terms of economic development, in increasing the number of tourists in the region, as well as in improving the standard of living of the population as a whole.

Institutions in charge of road infrastructure in the region are: Ministry of Transport and Communications, Public Enterprise for State Roads and the municipalities. Public roads, according to their state, economic, commercial and traffic significance and their level of construction are divided into state and municipal.

According to the state, economic, commercial and traffic significance, as well as their level of construction, some of the state roads are categorised as highways, express roads and motorways (A-motorways) and serve to connect the Republic of Macedonia with the European road system and to maintain continuity of the international road network (international corridors – E roads), and to connect the road network with international road border crossings and to achieve traffic connection with the roads of neighbouring countries. All state roads are divided into: A-Motorways (highways, express roads, motorways), R1 – Regional roads of first category and R2 – Regional roads of second category.

Out of a total of 14.395 km of road network in the Republic of Macedonia, 1.557,0 km or 10,82% cross the territory of the Southeast region, by which it may be concluded that the region is connected on a satisfactory level. However, some of the regional roads have not been constructed yet or their construction is not yet finished, whereas some are in a poor condition (road route A4, section Shtip – Radovish). An exception is the road route A4 Radovish – Strumica, which largely meets the standards and is in a good condition. The condition of the road route section Strumica – border with R. Bulgaria (BC Novo Selo) is bad, both as a result of the state of the road itself, and as a result of the horizontal and vertical signalisation. Thereby, it should be taken into consideration that this road passes through several populated settlements and leads to the border crossing with the Republic of Bulgaria.

The overview below presents all the roads, including their length, situated on the territory of the Southeast region.

Table 33a. A - Motorways (highways, express roads, motorways)

No.	Mark	Relation	Length in km
1	A1	Border with R. Serbia (BC Tabanovce) – Kumanovo – Veles – Negotino – Demir Kapija – Gevgelija – border with R. Greece (BC Bogorodica) and section Gradsko – Prilep (junction to A2)	42,0
2	A4	Border with R. Kosovo (BC Blace) - crossroad Stenkovec – ring road Skopje – Petrovec – Miladinovci – Sveti Nikole – Shtip – Radovish – Strumica – border with R. Bulgaria (BC Novo Selo)	90,1
		Total A- Motorways	132,1

Source: Study on the possibilities for development of the road network in the Southeast Planning Region⁴²

Highways and motorways (A1 and A4) passing through the region are in a relatively good condition. The A1 highway section Demir Kapija – Smokvica (junction to A2) is under construction. The construction of this section will provide for the possibility for economic development by means of fast exchange of goods and people, as well as development of transit tourism, since this is the main state road artery (North – South Corridor) where through a large number of people and goods are transiting the country and their number and quantity is constantly on the rise.

Table 33.b. R1 – Regional roads of first category

No.	Mark (new category)	Relation	Length in km
1	R1102	Skopje (junction to A2 – ring road Skopje) – Katlanovo – Veles – Negotino – Demir Kapija – Gevgelija (junction to A1)	157,9
2	R1105	Davidovo (junction to R1102) – Udovo (junction to A1) – Valandovo – Rabrovo – Dojran – border with R. Greece (Sretenovo) and junction Star Dojran – border with R. Greece (Nikolikj)	44,0
3	R1108	Gevgelija (junction to R1102) - Moin – Konsko – Smrdliva Voda – Kozhuf Ski Centre	62,1
4	R1109	Gevgelija (junction to A1) – Bogdanci – Furka (junction to R1105)	18,6
5	R1302	Delchevo (junction to A3) – Pehchevo – Berovo – Dabile (junction to A4)	20,8
6	R1310	Radovish (junction to A4) – Podaresh – Vladimirovo (junction to R1302) – Berovo – border with R. Bulgaria (BC Klepalo)	19,8
7	R1401	Strumica (junction to A4) – Rabrovo – Valandovo – Balinci – Marvinci (junction to A1) C	29,9
8	R1402	Kuklish (junction to R1401) – Bansko – Novo Konjarevo (junction to A4)	32,4
9	R1403	Junction to A4 – Radovish – Vladevci – Vasilevo – Strumica (junction to A4)	28,1
		Total regional roads of first category	413,6

Source: Study on the possibilities for development of the road network in the Southeast Planning Region

⁴² Study on the possibilities for development of the road network in the Southeast Planning Region – Project of the Cross-Border Cooperation Programme between the Republic of Macedonia and the Republic of Greece No. IPA/2009/DH21101/CH307

Table 33.c. R2 – Regional roads of second category

No.	Mark	Relation	Length in km
1	R2431	Radovish (junction to R1310) – Plachkovica – Argulica (junction to R2334)	21,5
2	R2432	Strumica (junction to A4) – Veljusa – Vasilevo (junction to R1403)	9,5
3	R2433	Radovish (junction to A4) – Konche – Zagorci – Leskovica (junction to R1103) – Selce – Sofilari (junction to A4)	13,5
4.	R2434	Junction to R1401 - Rich – junction to R2433	78,8
		Total regional roads of second category	123,3

Source: Study on the possibilities for development of the road network in the Southeast Planning Region

Table 33d. R29 – Regional roads

No.	Mark	Relation	Length in km
1.	R29177	Junction to A1 – Miravci	5,5
2.	R29471	Podaresh (junction to R1310) – Jargulica – Pokrajchevo – Zleovo – Radichevo (junction to A4)	13,9
		Total R29 roads	19,4

Source: Study on the possibilities for development of the road network in the Southeast Planning Region⁴³

The condition of regional and local roads is mainly poor. The condition of local roads is the worst. The region features the smallest length of local roads; the average is approximately 10% of the total length of local roads in the Republic of Macedonia. In addition, what is also unfavourable is the fact that the majority of local roads are dirt roads. In 2009, 28,94% of local roads were asphalt, whereas 65,29% were dirt and project truck. In 2013, 43,24% of local roads were asphalt, whereas 54,28% were dirt and project truck. The increase in the length of new asphalt local roads by 118 km over the analysed period is an indicator of positive development.

Table 34. Local road network in the Republic of Macedonia and in the Southeast Planning Region, 2009-2013 (km)

Year	Length of local roads in the Republic of Macedonia (in km)	Length of local roads in the Southeast region (in km)	Percentage of the total length of local roads (in %)
2009	9.258	919	9,93
2010	9.252	969	10,47
2011	9.300	977	10,50
2012	9.355	957	10,23
2013	9.471	888	9,37

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

⁴³ Remark: In the tabular overviews above, A – motorways and regional roads are presented with their total length. For the length of constructed/ non-constructed A – motorways and regional roads please refer to the "Study on the possibilities for development of the road network in the Southeast Planning Region" for more details – study of the Project funded by the Cross-Border Cooperation Programme between the Republic of Macedonia and the Republic of Greece No. IPA/2009/DH21101/CH307.

Table 35. Local road network in the Republic of Macedonia and in the Southeast Planning Region, 2013 (km)

	Republic of Macedonia	Southeast region	%
A - motorways	1.153	132,1	11,45
Regional roads	3.771	536,9	14,24
Local roads	9.471	888,0	13,08
Total	14.395	1.557,0	10,82

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2014"

In 2009, 319 km or 34,71% of local roads were asphalt or cobbled street (macadam), which was not favourable.

In 2013, 406 km or 45,72% of local roads were asphalt or cobbled street (macadam) which shows a positive trend of improvement of the situation. The worst situation in the analysed period was identified in rural areas, especially in mountainous villages and in areas with specific development needs, where significant investments are necessary.

Table 36. Comparative indicators regarding local road infrastructure in the Republic of Macedonia and in the Southeast Planning Region in 2009

	Total	Asphalt and cobbled street	Macadam	Dirt	Project truck
Republic of Macedonia	9.258	4.355	786	2.880	1.237
Southeast	919	266	53	359	241
Percentage (%)	9,93	6,11	6,74	12,46	19,48

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012"

Table 37. Comparative indicators regarding local road infrastructure in the Republic of Macedonia and in the Southeast Planning Region in 2013

	Total	Asphalt and cobbled street	Macadam	Dirt	Project truck
Republic of Macedonia	9.471	4.859	716	2.663	1.233
Southeast	888	384	22	256	226
Percentage (%)	9,38	7,90	3,07	9,61	18,33

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2014"

As a general conclusion we could state that the condition of the local road network in the region according to its length is on a far lower level compared to other regions. The condition of the road network in the region is on a far lower level compared to European standards. Communication connections are good, nevertheless the condition of roads themselves, as well as of the vertical and horizontal signalisation, is poor.

Investments are essential in order to improve the road network between populated areas, as well as local roads leading to natural, cultural and tourist sites. Especially large investments are needed in the areas with specific development needs (please see Table 71), taking into consideration the fact that most of those areas are located in rural and border areas.

Tourist signalisation is also in a poor state and does not offer any information or signs for tourists sites located in the region. Furthermore, investments are necessary in the road infrastructure and in the infrastructure leading to existing industrial and economic zones.

9.2.1 Average annual daily traffic

The intensity of traffic on the state road network is measured by counting traffic, which is performed every year. The process of counting is done by help of automatic counting devices and manually by employees of the PE "Macedonia Road".

Counting traffic on motorways and regional roads in the Republic of Macedonia is done in accordance with the 2010 methodological guidelines (State Statistical Office – Counting traffic on roads, 2010).

The aim of counting traffic on roads is to collect data which will serve as a means of monitoring road conditions, planning road construction and maintenance. On the other hand, this should ensure safe traffic. The process of counting is carried out every year continuously on all categories of roads for several categories of vehicles.

The counting results in 2011 and 2012 on the motorway and regional road network in the Southeast region are presented in the tables below.

The average annual daily traffic in the Southeast Planning Region in 2011 is given in Table 38 below.

Table 38. Average annual daily traffic (AADT) in the Southeast region in 2011

Average annual daily traffic (AADT) in the Southeast region in 2011	Southeast region
Motorways	19.944
Regional roads	no data
Total	19.944

Source: State Statistical Office of the Republic of Macedonia, "Transport and other services 2012"

The aggregate data on the average annual daily traffic in the Southeast region in 2012 are given in Table 39 below.

Table 39. Average annual daily traffic (AADT) in the Southeast region in 2012

Average annual daily traffic (AADT) in the Southeast region in 2012	Southeast region
Motorways	19.877
Regional roads	13.688
Total	33.565

Source: State Statistical Office of the Republic of Macedonia, "Transport and other services 2012"

According to the data presented above on the average annual traffic in the Southeast region, in the analysed years of 2011 and 2012, comparison is possible only with regard to traffic on motorways. It is almost constant, amounting to 19.944 in 2011, whereas in 2012 to 19.877, which is a minimal decline of 0,34%.

9.2.2 Categorisation of vehicles in 6 categories when measuring the average annual traffic

In order to achieve improved qualitative traffic monitoring, apart from monitoring the quantity, i.e. average annual daily traffic, also the categories of vehicles are monitored. Below is a list of the categories of vehicles:

- C1 – passenger vehicles
- C2 – light goods vehicles
- C3 – buses
- C4 – heavy goods vehicles with two axles
- C5 – heavy goods vehicles with three axles
- C6 – heavy goods vehicles with more than three axles.

9.2.3. Passengers carried by means of road passenger transport

Of the analysed period it may be concluded that the number of registered passengers carried by means of road passenger transport varies both in positive and negative terms. The largest share of passengers was carried in 2011, amounting to 2.856.000 passengers, which is 18,26% of the total number of passengers carried in the Republic of Macedonia, whereas the least in 2013, or 1.497.000 passengers, which is a share of 9,33% of the national parameter. Over the analysed period, from 2009 to 2013, the number of passengers carried in the Southeast region was quite high (only the Southwest region showed a larger number of carried passengers). A decline in the number of passengers carried was identified in 2013 by 39,69% compared to 2012 and by 47,58% compared to 2011.

Table 40. Indicators regarding the number of passengers carried by means of road passenger transport in the Republic of Macedonia and in the Southeast Planning Region, 2009 – 2013 (in thousands)

	2009	2010	2011	2012	2013
Republic of Macedonia	11 607	13 474	15 644	15 594	16 052
Southeast region	2 061	2 453	2 856	2 482	1 497

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

Table 41. Indicators regarding the number of passengers carried by means of taxi transport in the Republic of Macedonia and in the Southeast Planning Region, 2009 – 2013 (in thousands)

	2009	2010	2011	2012	2013
Republic of Macedonia	43 685	38 063	32 116	40 413	32 906
Southeast region	2 963	1 577	4 926	3 284	3 453

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

The number of registered passengers carried by means of taxi transport marked a considerable fall in 2010 by 46,78% compared to 2009. The difference in the number of passengers in 2010 compared to 2011 is 67%. The largest share of passengers carried by this means of transport - 4.926.000, was marked in 2011. In 2012, a total of 3.284.000 were carried, which is a decline by 33,33% compared to 2011. Nevertheless, over the last two years of the analysed period, the number of passengers carried by means of taxi transport showed an increase.

9.3 Railway infrastructure

The Southeast region is not covered by railway infrastructure, apart from the Municipality of Gevgelija. The total length of the rail track in the region is 24 km, whereas the average density is 8,46 km/km².

Rail transport in the Southeast region, just as rail transport on national level, has shown a continuous fall. This trend applies to both passenger and goods transportation.

Table 42. Data regarding railway infrastructure and transport in the Republic of Macedonia, 2008 - 2012

	2008	2009	2010	2011	2012
Length of rail tracks in km	696	696	696	696	696
Number of railway stations	97	127	124	124	124
Number of locomotives	56	53	55	53	43
Number of passenger wagons	124	110	64	61	68
Number of freight wagons	1.494	1.323	1.144	1.007	1.011
Passengers carried (in 000)	1.448	1.523	1.512	1.421	1.013
Goods carried (in 000 tonnes)	4.296	2.929	3.097	2.770	2.539
Total turnover of goods (in 000 tonnes)	2.662	2.182	2.198	1.903	1.876

Source: State Statistical Office of the Republic of Macedonia, "Transport and other services, 2012"

The situation related to rail transport is grave, not only in the Southeast region, but also on the whole territory of the Republic of Macedonia. The situation is bad both in terms of the rail tracks and in terms of the rail fleet and the accompanying infrastructure.

Table 43. Number of passengers carried in rail transport in the Republic of Macedonia and in the Southeast region, 2008 - 2012

	Total RM	Total railway station Gevgelija	%
2008	1.448.000	50.000	3,45
2009	1.523.000	58.000	3,80
2010	1.512.000	56.000	3,70
2011	1.421.000	50.000	3,52
2012	1.013.000	35.000	3,46

Source: State Statistical Office of the Republic of Macedonia, "Transport and other services, 2012"

The only populated area having a railway station in the Southeast Planning Region is Gevgelija. The largest number of passengers was carried in 2009, that is to say, 58.000 passengers, whereas in 2012 35.000 passengers were carried. The number of passengers in 2012 marked a fall of 39,66% compared to 2009.

Table 44. Total turnover of goods in rail transport in the Republic of Macedonia and in the Southeast region, 2008 - 2012 (in tonnes)

	Total RM	Total railway station Gevgelija	%
2008	2.662.420	20.926	0,78
2009	2.182.302	6.607	0,30
2010	2.198.206	4.249	0,19
2011	1.902.581	6.447	0,34
2012	1.875.974	55.393	2,95

Source: State Statistical Office of the Republic of Macedonia, "Transport and other services, 2012"

The negative trend in rail transport is evident both in transport and turnover of goods. The greatest fall in the Southeast region (railway station Gevgelija) was marked in 2010, when the turnover of goods amounted to 4.249 tonnes or 0,19% of the total turnover in the Republic of Macedonia. There was an enormous increase in 2012, reaching a turnover of 55.393 tonnes, which is 2,95% of the total turnover in the country.

There is a possibility to achieve an enhanced rail transport linkage of the Southeast region by constructing a railway line and connecting Shtip and the railway line passing near Petrich (Republic of Bulgaria). A second possibility would be to link with the railway line passing near v. Miravci, Municipality of Valandovo.

9.4 Energy infrastructure and characteristics

The quantity of consumed energy in the Southeast region in 2009 amounted to 164 GWh, whereas in 2012 it amounted to 155 GWh, which is a decrease of 5,5%. In terms of the energy potential, it should be emphasised that the region is not rich in hydro energy potential and is fully dependent on electricity. The installed electricity production capacity is 2 MW.

Table 45. Total electricity consumption in the Republic of Macedonia, and per regions in the period 2008 - 2012

	Electricity in GWh				
	2008	2009	2010	2011	2012
Republic of Macedonia	2 606	1 755	2 194	2 693	2 369
Vardar region	838	620	686	856	915
East region	100	109	79	70	76
Southwest region	46	45	44	45	42
Southeast region	164	142	138	139	155
Pelagonia region	154	148	149	156	169
Polog region	425	117	289	490	389
Northeast region	26	38	38	39	36
Skopje region	853	536	770	898	587

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

Table 46. Total installed electricity production capacity in the Republic of Macedonia, and per regions in the period 2008 - 2013

	Installed capacity in MW					
	2008	2009	2010	2011	2012	2013
Republic of Macedonia	1 562	1 593	1 846	1 849	1 913	1 938
Vardar region	330	330	330	330	330	331
East region	15	15	16	16	17	20
Southwest region	254	255	257	257	258	263
Southeast region	2	2	2	2	2	3
Pelagonia region	681	681	681	683	709	712
Polog region	190	190	190	190	190	201
Northeast region	-	-	-	-	0	1
Skopje region	90	120	370	370	406	40

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2012 and 2014"

From the data presented above, it may be concluded that the Southeast region is almost completely dependent on electricity. The ratio "installed capacity – consumed electricity" in 2012 was enormous (2 MW/ 155 GWh).

A possible solution for the large-scale energy dependence is to shift towards exploiting renewable energy sources (wind, sun and biomass), which this region has at its disposal. Days/ hours of sunshine amounting to more than 2.300 in the year should be used, together with winds. In terms of exploitation of renewable energy sources, the wind park of AD ELEM is already running in the Municipality of Bogdanci, with an installed capacity of 36,8 MW and several mini power plants with photovoltaic panels of lower installed capacity.

10. TOURISM AND CULTURE

10.1 Tourist offer of the region

Over the past period, the region has succeeded in attracting the attention of tourists and presenting its clean and healthy environment with lakes, mountains, waterfalls, thermal waters, ethno villages, monasteries, but also its local events, healthy and traditional food and hospitality of the citizens of the Southeast.

The Southeast Planning Region has an abundance of beauties which provide for a comprehensive tourist offer which is presented in the following table.

Table 47. Tourist offer of the Southeast Planning Region

Types of tourism	Tourist offer of the Southeast Planning Region
Lake tourism	Dojran Lake. Artificial lakes: Mantovo, Vodocha, Paljurci and Turija.
Spa tourism	Banja Bansko and Negorski Banji.
Mountain tourism	Kozhuf Ski Centre.
Village tourism	Waterfalls and springs: Smolare, Koleshino, Gabrovo, Mokrino and Bansko. Natural rare sites: Monospitovo Swamp. Eco food: Novo Konjsko, Konche and Paljurci.
Cultural and church tourism	Historical events: Battle of Belasica, Macedonian Front Battle and the Visit of St. Paul to Paljurci. Archeological sites: Isar – v. Marvinci, Stakina chesma (spring) – Valandovo, Stranata – v. Angelci, church „St. Petka” – v. Tribichino, Vardar Hill – Gevgelija, Pilav Tepe – Radovich, Roman Villa – Miletkovo, Carevi Kuli (Tsar’s Towers) – Strumica, Orta mosque – Strumica, Roman Therma – v. Bansko, Church complex „Holy Fifteen Tiberiopolis Martyrs” – Strumica, Monastery complex – v. Vodocha, “St. Stephen” – v. Konche, “Crveno Pole” (Red Field) – v. Barbarevo, Kjeramidarka – v. Mokrino, Pirgo – v. Mokriovo, Golema Trpeza (Great Feast) – v. Novo Konjarevo, church “St. Prophet Ilija” – Dojran and Mrdaja – Dojran. Churches: Soboren Hram “Sv. Troica” (St. Trinity church) - Radovich; Monastery church Sv. Bogorodica Milostiva (Eleousa) (of Mercy) – Veljusa, Church complex St. Leontij – Vodocha, Monastery complex Sv. Gjorge” (St. George) – Valandovo, Church “St. Prophet Ilija” – Dojran, Church complex “Holy Fifteen Tiberiopolis Martyrs” – Strumica, Konechki Monastery – Konche and Monastery “St. Spas” (Church of the Ascension of Jesus) – Gevgelija. Cultural institutions: permanent museum exhibition in the NI “Institute and Museum” – Strumica; ethnological exhibition hosted in a house featuring old-town architecture, so called Turkish post; gallery of icons placed in the church complex “Holy Fifteen Tiberiopolis Martyrs”; permanent museum exhibition hosted in the Museum of First World War in Dojran; temporary museum and ethnological exhibitions in the NI Museum – Gevgelija and Centre of Culture “Aco Karamanov” in Radovich. Theatres: National theatre – Gevgelija and National theatre “Anton Panov” – Strumica
Active tourism	Recreational trail Dojran – Paljurci, recreational trail – Dojran lake coast; Iron Curtain Trail; 25 foot, bike and mountain paths and trails in the micro region of Strumica;
Health tourism	Private dentist’s offices in Gevgelija, Strumica and Radovich.
Event tourism	Strumica Carnival; Folk Festival Valandovo; Strumica Open Festival, Chambre Theatre Festival “Risto Shishkov”; International Strumica Art Colony; Film Festival Asterfest; Karamanovi sredbi (Karamanov Gatherings); Dojranski rakuvanja (Dojran Handshakes); Rakijada (Brandy Festival), Smokvijada (Fig Festival), Prazijada (Leek Festival) and Kostenijada (Chestnut Festival);
Conference tourism	A solid offer of organisation of seminars, conferences and business presentations in Strumica, Gevgelija and Dojran.
Hunting tourism	31 hunting grounds (18 intended for big game and 13 for small game)
Wine tourism	5 wineries in Valandovo, Gevgelija, Vasilevo and Bosilovo, 3 of which are open to guests.
Casino tourism	Hotels Princess, Flamingo and Apollonia – Gevgelija

Source: Expert team analysis

10.2 Analysis of the conditions in tourism and culture in the period 2009 – 2013

For the purpose of identifying the conditions in the field of tourism and culture in the Southeast Planning Region in the period 2009 – 2013, a group of indicators has been analysed and interpreted in order to determine the volume of accommodation capacity in the region, trends in the catering sector, arrivals and nights spent by tourists, number of cultural institutions, number of visits to such institutions, etc.

10.2.1 Accommodation capacity

The capacity of establishments where accommodation services are offered to guests is expressed in number of rooms and number of beds, and in line with the national regulation, they are divided into basic and complementary accommodation establishments. The largest part of beds in the region belongs to the group of basic accommodation establishments, such as hotels and motels, but there are also beds represented in complementary establishments, such as private rooms, spas and enterprises’ resorts. Accommodation establishments in the Republic of Macedonia are also categorised according to the star rating system. According to this categorisation, 3 hotels located on the territory of the region meet the strict categorisation criteria with the highest number of stars.

Table 48. Trends among accommodation establishments in the Republic of Macedonia and in the Southeast Planning Region, in the period 2009 - 2013

Accommodation establishments	2009	2010	2011	2012	2013
Republic of Macedonia					
Number of rooms	26.390	26.189	26.448	26.877	26.887
Number of beds	69.561	69.102	69.737	70.287	70.297
Southeast region					
Number of rooms	2.152	2.105	2.277	2.298	2.346
Number of beds	5.750	5.724	6.069	6.088	6.298

Source: State Statistical Office of the Republic of Macedonia, “Regions in the Republic of Macedonia 2014”

From the data shown in Table 48 above, it may be noticed that in the period from 2009 to 2013, the accommodation capacity of the Southeast Planning Region marked an upward tendency. The number of rooms in 2013 increased by 9,01% compared to 2009, whereas the total number of beds increased by 8,70%. With regard to the total accommodation capacity of the Republic of Macedonia, the Southeast Planning Region had a share of 8,14% in the total number of rooms in 2009, whereas in 2013 this share showed a mild increase and amounted to 8,72%. The situation is also similar in terms of the total number of beds. In 2009, 8,2% of the total accommodation capacity per bed was the share of the Southeast Planning Region, whereas in 2013 the share amounted to 8,95%.

The number of rooms as opposed to the population size in the region is one of the indicators for investments in the field of tourism. The number of rooms per 1.000 inhabitants in 2013 in the Southeast Planning Region amounted to 13,69, whereas on national level this number amounted to 13,02.

10.2.2 Catering establishments

According to the national legal framework, catering establishments are divided into: 1. Restaurants (restaurants, guesthouses, self-service restaurants, express restaurants, kiosks, bakeries, garden restaurants, summer gardens, kebab restaurants, bistro, pizza restaurants, fast food restaurants, etc.); 2. Bars (coffee shop, night bar, coffee bar, cabaret, disco club, open-air disco club, beer tavern, etc.); 3. Canteens, and 4. Other catering establishments offering food.

In 2012, in the Southeast region there were 176 functional catering establishments with 11.672 seats. Most of the restaurants have a contemporary ambient and are oriented towards fast food, grill and international cuisine. It is noticeable that in the region there is a lack of traditional restaurants with traditional architecture which will fully nurture traditional cuisine and traditional people’s music.

In accordance with the valid legal framework, all restaurants should be registered and categorised in line with the international star rating standards. Nevertheless, this categorisation is still not being applied fully.

Table 49. Trends among catering establishments in the Republic of Macedonia and in the Southeast Planning Region in the period 2009 - 2013⁴⁴

Catering establishments	2009	2010	2011	2012	2013 ⁴⁴
Republic of Macedonia					
Business units	1.967	1.914	1.950	1.949	1064
Seats	110.354	115.309	117.006	118.755	95.221
Workers	12.039	12.250	12.308	12.441	9.943
Total turnover in thousands of Denars	7.636.016	7.352.408	7.816.343	8.166.264	6.788.215
Southeast region					
Business units	171	162	182	176	126
Seats	9.946	10.856	11.886	11.672	9405
Workers	1.719	1.796	1.851	1.715	1.600
Total turnover in thousands of Denars	615.443	599.780	688.685	710.263	674.285

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2014"

The table presented above contains data on the movement of 4 indicators for the purpose of identifying trends in the catering sector in the period 2009 – 2013 in the Republic of Macedonia and in the Southeast Planning Region. Taking into consideration that the data for the year of 2013 are incomplete, this year has been excluded from further analysis.

The number of business units in the region has changed throughout the years. The highest number of catering establishments, that is to say, business units in the region was marked in 2011, when 182 catering establishments were registered, and the region achieved the highest share in the total number of catering establishments on national level in 2012, when 9,33% of the total number of catering establishments in the Republic of Macedonia were registered on the territory of the Southeast Planning Region. The number of seats in catering establishments has marked a tendency of increase from year to year. The number was the highest in 2011, when 11.886 seats were registered and distributed in 182 establishments. The average number of seats in catering establishments in the region amounts to 66 seats per catering establishment.

The number of employees in the catering sector in 2010 and 2011 marked an upward trend by 3 to 4%, whereas in 2012 it decreased by 7% compared to the previous year and declined below the level of employees in 2009. The sector featured the highest number of employees in 2011, when 1.851 persons worked in the catering industry, that is to say, 15% of the total number of employees in the sector on national level. The average number of employees in a single catering establishment in the region in 2011 amounted to 10,17, whereas on national level this average was significantly lower and it amounted to 6,32.

The total registered turnover in the catering sector increased and declined interchangeably from year to year, unlike the average turnover per catering establishment, which is every year higher compared to the previous one. The highest turnover in this sector was registered in 2012, when 176 establishments from the region recorded a turnover of 710.263.000 MKD, that is to say, 8,70% of the total turnover of this sector on national level.

10.2.3 Arrivals and nights spent by domestic and foreign tourists

For the analysis of the trends of arrivals and nights spent by tourists, data were used from the State Statistical Office, according to which tourists are persons spending the night in a catering or another type of establishment offering overnight services. In line with this, the analysis has not covered picnickers, excursionists, transit passengers and other tourists having resided in the region, but not having spent the night, or where the nights spent have not been registered.

The number of tourists in the Southeast Planning Region in 2013 amounted to 109.982, 54% of whom were domestic tourists, whereas approximately 45% foreign tourists. On national level, on the other hand, foreign tourists predominated, having achieved 57% of the total number of registered visits.

⁴⁴ Data is not available on individual catering establishments.

Table 50. Trends in the tourism sector in the Republic of Macedonia and in the Southeast Planning Region in the period 2009 – 2013

Indicators	2009	2010	2011	2012	2013
Republic of Macedonia					
Total number of tourists	587.770	586.241	647.568	663.633	701.794
Domestic	328.566	324.545	320.097	312.274	302.114
Foreign	259.204	261.696	327.471	351.359	399.680
Total number of nights spent	2.101.606	2.020.217	2.173.034	2.151.692	2.157.175
Domestic	1.517.810	1.461.185	1.417.868	1.339.946	1.275.800
Foreign	583.796	559.032	755.166	811.746	881.375
Southeast region					
Total number of tourists	90.998	84.856	108.555	106.978	109.982
Domestic	68.416	59.403	58.351	58.761	59.977
Foreign	22.582	25.453	50.204	48.217	50.005
Total number of nights spent	277.030	262.787	312.377	305.163	327.279
Domestic	233.220	220.654	217.903	219.050	231.870
Foreign	43.810	42.133	94.474	86.113	95.409

Source: State Statistical Office of the Republic of Macedonia, "Regions in the Republic of Macedonia 2013", and publication "Tourism in the Republic of Macedonia 2009 - 2013"

From the table above the following may be inferred:

- The total number of domestic tourists having visited the Southeast Planning Region over the analysed five-year period amounts to 304.908 visitors. These visitors had 1.122.697 nights spent in the analysed period, that is to say, the average length of the stay of domestic tourists in the Southeast region amounted to 3,68 days. On the territory of the Republic of Macedonia, domestic tourists achieved a total of 1.587.596 visits, 27% of them being in the Southeast region.
- The greatest number of visits to the region by domestic tourists was marked in 2009. Domestic tourists cut their visits to the region in the period 2010 – 2013, but increased the length of their stay. The number of domestic tourists in 2013, compared to 2009, decreased by 14,07%, whereas the number of their nights spent declined by 0,58%. In 2013, domestic tourists reached an average of 3,8 nights spent in the region, unlike in 2009, when in spite of the relatively higher number of visits, there were 3,4 nights spent on average.
- The total number of foreign tourists having visited the Southeast region over the analysed five-year period amounts to 196.461 visitors. These visitors had a total of 361.939 nights spent, that is to say, the average length of the stay of foreign tourists in the Southeast region amounted to 1,84 days. On the territory of the Republic of Macedonia, foreign tourists achieved a total of 1.599.410 visits, 12,28% of them being in the Southeast region.
- The number of visits of foreign tourists to the Southeast region marked an upward tendency in the period 2009 – 2013. Namely, over the analysed period (2009-2013), the number of foreign tourists increased by 121,43%, whereas the number of nights spent by them increased by 117,8%. In comparison, on the territory of the whole country, the number of foreign tourists has increased by 54,19%. The stay of foreign tourists to the region in continuity amounts to 1,9 days. In 2013, the number of visits of foreign tourists increased, but their stay in the region remained the same as in 2009.

10.2.4 Analysis of trends in culture

In the Southeast Planning Region, there are a small number of cultural institutions (museums, theatres and cinemas). In the analysed period 2009 – 2013, the State Statistical Office provided partial data regard-

ing the number of visits to 2 museums and 1 professional theatre situated on the territory of the region. According to these data, the number of visits to cultural institutions is very low and throughout the whole five-year period there were a total of 8.800 museum visitors registered and 34.712 visitors to theatre plays.

The data presented here should be taken with a degree of reservation since the largest share of visits to existing museums, galleries and theatres are not recorded, since the entrance is free of charge and it is difficult to determine the actual total number of visitors.

11. AGRICULTURE AND RURAL DEVELOPMENT

11.1 Agriculture

The Southeast region is the most significant agricultural region in the Republic of Macedonia. It has a total agricultural area of 37.852 hectares, which is 11,7% of the total agricultural area in the Republic of Macedonia. The total land used amounts to 32.078 hectares, which expressed in percentage equals 12,1% of the total used land in the Republic of Macedonia.

The area of used agricultural land, as well as its structure, is given in the following table:

Table 51. Used agricultural land in the Republic of Macedonia and in the Southeast region, 2013 (hectares)

	No. of individual agricult. holdings	Total available land area	Arable agricultural land				No. of separated parts of used land
			Total used land	Own land	Taken for use from others	Given for use to others	
Republic of Macedonia	192.378	321.813,7	264.338,58	222.819,95	46.720,93	5.202,29	636.911
Southeast region	25.978	37.851,86	32.078,34	27.271	5.683,60	876,28	116.466
%	13,5%	11,7%	12,1%	12,2%	12,1%	16,8%	18,2%

Source: State Statistical Office of the Republic of Macedonia, publication „Agriculture, 2007 – Book II“

Agricultural land in the Southeast region amounts to 8,83% of the total area on national level. Agricultural land is used the most for agricultural production, followed by plough lands and gardens, as well as vineyards. Agricultural land used in the Southeast region per category is shown below.

Table 52. Used agricultural land in the Republic of Macedonia and in the Southeast region, 2013 (hectares)

	Agricultural land	Total	Plough lands and gardens	Orchards	Vineyards	Meadows	Pastures
Republic of Macedonia	1.260.336	508.546	412.972	15.212	21.497	58.865	751.187
Southeast region	111.340	55.938	47.830	1.507	4.557	2.044	64.032
%	8,83	10,99	11,58	9,90	21,19	3,47	8,52

Source: State Statistical Office of the Republic of Macedonia, publication “Crop production, fruit-growing and vine-growing, 2013”

According to the data covering the capacities of individual agricultural holdings, as well as the production of agricultural cooperatives and agricultural enterprises in the period from 2009 to 2013 on national level, a decline was noticed in terms of sown and harvested areas with cereals, as well as cereal production. The largest production of cereals was marked in 2009, which afterwards constantly decreased. Thereby, the highest decrease was shown in wheat production.

The following table presents data on the area and cereal production in the Southeast region for 2013.

Table 53. Area and cereal production in the Republic of Macedonia and in the Southeast region, 2013

	Wheat				Rye			
	Area-ha		Production		Area-ha		Production	
	sown	harvested	Total in tonnes	kg per hectare	sown	harvested	sown	harvested
Republic of Macedonia	81.759	80.980	258.960	3.198	3.760	3.759	8.898	2.368
Southeast region	7.962	7.962	44.634	34.884	304	304	753	21.455
%	9,73	9,83	17,23		8,08	8,08	8,46	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

Table 54. Area and cereal production in the Republic of Macedonia and in the Southeast region, 2013

Municipality	Barley				Oat				Maize			
	Area-ha		Production		Area-ha		Production		Area-ha		Production	
	sown	harvested	Total in tonnes	Kg per hectare	sown	harvested	sown	harvested	sown	harvested	Total in tonnes	Kg per hectare
Republic of Macedonia	42.234	41.944	125.565	2.994	2.789	2.781	5.215	1.875	31.032	21.028	131.043	4.223
Southeast region	2.599	2.599	6.550	27.176	29	27	49	7.900	4.173	4.173	25.583	60.449
%	6,15	6,20	5,22		1,04	0,97	0,94		13,44	19,84	19,52	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

According to the published Report on Annual Agricultural Production by the State Statistical Office referring to the production on national level and also encompassing the production of fodder crops, a decrease in the production can be noticed from 2009 to 2013. An increase is only marked in the production of clover.

The production of alfalfa in the Southeast region covers 17,95% of the total production on national level, whereas the production of clover covers 3,68% of the total production of clover in the Republic of Macedonia. In the Southeast region, in the year of 2013, the highest production of alfalfa and clover is noticed in the Municipality of Vasilevo.

The data on the production of fodder crops in the Southeast region in 2013 are shown in the table below.

Table 55. Area and production of fodder crops in the Republic of Macedonia and in the Southeast region, 2013

	Clover				Alfalfa			
	Area-ha		Production		Area-ha		Production	
	sown	harvested	total in tonnes	kg per hectare	sown	harvested	total in tonnes	kg per hectare
Republic of Macedonia	3.392	3.392	12.933	3.813	19.404	19.350	113.195	5.850
Southeast region	97	97	477	26.430	2.090	2.040	20.322	78.431
%	2,86	2,85	3,68		10,77	10,54	17,95	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

If the production of industrial crops is compared on national level for the period from 2009 to 2013, it may be noticed that there is an increase in the production of tobacco (thereby, the highest increase is noticed in the Municipality of Radovich), whereas a decline is noticed in the production of poppy and sunflower.

The data in the following table depict the situation in the Southeast region with regard to the production of industrial crops in 2013 (tobacco and sunflower). In the Southeast region there is no production of sunflower.

Table 56. Area and production of industrial crops in the Republic of Macedonia and in the Southeast region, 2013

	Sunflower				Tobacco			
	Area-ha		Production		Area-ha		Production	
	sown	harvested	total in tonnes	kg per hectare	sown	harvested	total in tonnes	kg per hectare
Republic of Macedonia	2.481	2.458	3.832	1.559	19.178	19.178	27.859	1.453
Southeast region	/	/	/	/	6.389	6.389	10.384	16.367
%	/	/	/	/	33,31	33,31	37,27	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

If we analyse the period from 2009 to 2013, a decline will be noticed in the production of garden crops on the whole territory of the Republic of Macedonia. There are a large number of factors influencing such a decrease in the production of garden crops, among which we could list: climate conditions, change in temperature as a result of climate change, poor placement of products on domestic and foreign markets, etc.

If we look into the production of garden crops in the Southeast region in 2013, it can be noticed that the largest production of onion, garlic and peas is present in the Municipality of Strumica. The largest production of onion happens in the Municipality of Bogdanci, whereas in the municipalities of Bosilovo and Strumica is noticed the largest production of beans.

The following table gives an overview of the area and production of garden crops (potatoes and onion) in the Southeast region in 2013.

Table 57. Area and production of garden crops in the Republic of Macedonia and in the Southeast region, 2013

	Potatoes				Onion			
	Area-ha		Production		Area-ha		Production	
	sown	harvested	total in tonnes	kg per hectare	sown	harvested	sown	harvested
Republic of Macedonia	13.477	13.477	185.590	14.071	3.499	3.490	50.787	14.522
Southeast region	1.350	1.350	26.736	192.147	704	704	22.561	233.746
%	10,01	10,01	14,40		20,12	20,12	44,42	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

Table 58 below gives an overview of the area and production of garden crops (garlic, beans and peas) in the Southeast region in 2013.

Table 58. Area and production of garden crops in the Republic of Macedonia and in the Southeast region, 2013

	Garlic				Beans				Peas			
	Area-ha		Production		Area-ha		Production		Area-ha		Production	
	sown	harvested	Total in tonnes	Kg per hectare	sown	harvested	Total in tonnes	Kg per hectare	sown	harvested	Total in tonnes	Kg per hectare
Republic of Macedonia	928	920	1.031	1.031	1.031	1.031	5.127	1.113	1.031	1.031	2.078	2.017
Southeast region	15	15	231	231	231	231	1.566	15.944	231	231	561	23.430
%	1.62	1.62	22.4	22.4	22.4	22.4	30.54		22.4	22.4	27.0	

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

In the Southeast region, the production of cabbage amounts to 72,21% of the total production of cabbage on national level, 19.754 tonnes of which are produced in the Municipality of Strumica. Tomato production has a share of 56,12% in the total production in the Republic of Macedonia. The Municipality of Strumica is the largest producer of tomatoes.

Table 59. Area and production of garden crops in the Republic of Macedonia and in the Southeast region, 2013

	Cabbage				Tomatoes			
	Area-ha		Production		Area-ha		Production	
	sown	harvested	total in tonnes	kg per hectare	sown	harvested	total in tonnes	kg per hectare
Republic of Macedonia	4.491	4.482	119.662	26.698	5.478	5.457	130.960	23.999
Southeast region	2.474	2.473	86.414	328.190	1.399	1.387	73.504	419.654
%	55,08	55,17	72,21	/	25,53	25,41	56,12	/

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

The Municipality of Strumica has the highest production of pepper and cucumbers, which amounts to 36.674 tonnes of pepper and 12.784 tonnes of cucumbers, whereas the Municipality of Novo Selo records the highest production of melon numbering a total of 11.595 tonnes.

In terms of fruit production in the Southeast region, the production of quince is the most noticeable with 26,08% and apricots with 23,33% of the total production on national level, whereas peaches are covered with 21,54%, plums with 19,35%, cherries with 16,23%, pears with 10,66%, sour cherries with 7,08% and apples with 2,76%. These data are given in Tables 60, 61 and 62 below.

Table 60. Number of fruit trees and fruit production in the Republic of Macedonia and in the Southeast region, 2013

	Cherries		Sour cherries		Apricots	
	No. of trees	Total production in tonnes	No. of trees	Total production in tonnes	No. of trees	Total production in tonnes
Republic of Macedonia	220.153	6.037	858.692	8.867	167.332	3.968
Southeast region	26.798	980	29.663	628	33.610	926
%	12,17	16,23	3,45	7,08	20,08	23,33

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

Table 61. Number of fruit trees and fruit production in the Republic of Macedonia and in the Southeast region, 2013

	Quince		Apples		Pears	
	No. of trees	Total production in tonnes	No. of trees	Total production in tonnes	No. of trees	Total production in tonnes
Republic of Macedonia	53.755	1.257	4.466.957	112.929	387.217	7.265
Southeast region	10.470	337	85.466	3.126	35.070	775
%	19,47	26,08	1,91	2,76	9,05	10,66

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

Table 62. Number of fruit trees and fruit production in the Republic of Macedonia and in the Southeast region, 2013

Municipality	Plums		Peaches	
	No. of trees	Total production in tonnes	No. of trees	Total production in tonnes
Republic of Macedonia	1.678.682	38.902	489.828	11.034
Southeast region	190.251	7.530	113.307	2.377
%	11,33	19,35	23,13	21,54

Source: State Statistical Office of the Republic of Macedonia, publication "Crop production, fruit-growing and vine-growing, 2013"

11.2 Livestock husbandry

According to the indices issued in the publication "Livestock husbandry, 2013" of the State Statistical Office, it can be noticed that in the Southeast Planning Region the individual sector is significantly more developed in breeding horses, sheep, goats, poultry and bee families. Business entities may be particularly emphasised in breeding cattle and swine. The following table shows the indices in the individual sector and business entities active in the Southeast region.

Table 63. Indices of the total number of cattle and poultry in the Republic of Macedonia and in the Southeast region, 2012/2013

	Horses	Cattle	Swine	Sheep	Goats	Poultry	Bee families
Republic of Macedonia	95,4	94,9	94,7	99,9	118	123,9	129,1
Individual sector	95,5	94,3	100,5	99,2	117,7	101,2	128,7
Business entities	9,1	121	82,5	122,5	144,5	186	/
Southeast region	108,6	52,2	96,8	160,4	181	96,4	75,4
Individual sector	108,6	51,2	96,7	160,4	181	86,4	75,4
Business entities	/	107,3	102,6	/	/	/	/

Source: State Statistical Office of the Republic of Macedonia, publication "Livestock husbandry, 2013"

The following table gives an overview of the situation with the number of cattle, poultry and bee families on national level and in the Southeast region. Statistics show that the individual sector in the Southeast region is involved in breeding all types of cattle, poultry and bee families, whereas business entities are involved in breeding cattle and swine, and far below the capacities of natural resources that the region possesses for development of livestock husbandry.

Table 64. Total number of cattle, poultry and bee families in the Republic of Macedonia and in the Southeast region, 2012/2013

	Horses	Cattle	Swine	Sheep	Goats	Poultry	Bee families
Republic of Macedonia	20.682	238.333	167.492	731.828	75.028	2.201.550	68.294
Individual sector	20.681	231.414	120.134	702.563	74.093	1.314.824	68.102
Business entities	1	6.919	47.358	29.265	935	886.726	192
Southeast region	4.426	25.616	7.297	98.209	19.112	117.442	2.639
Individual sector	4.426	24.646	7.056	98.209	19.112	117.442	2.639
Business entities	/	970	241	/	/	/	/

Source: State Statistical Office of the Republic of Macedonia, publication "Livestock husbandry, 2013"

What is characteristic of the Southeast region is honey production. The overall honey production in the region is performed by the individual sector. The Southeast region produces 33 tonnes of honey and participates with somewhat less than 5% in the total production of honey in the country. This surely signifies an insufficient exploitation of natural potentials for this kind of activity, especially if taken into account that the average of produced honey per bee family in the Southeast region is higher than the average on national level.

Table 65. Honey production in the Republic of Macedonia and in the Southeast region

	Honey		
	Number of bee families	Average per bee family	Total production of honey (tonnes)
Republic of Macedonia	68.294	11,5	784
Individual sector	68.102	11,0	782
Business entities	192	8,0	2
Southeast region	2.639	13,0	33
Individual sector	2.639	13,0	33
Business entities	/	/	/

Source: State Statistical Office of the Republic of Macedonia, publication "Livestock husbandry, 2013"

11.3 Rural development

In accordance with stipulated criteria on rural populated areas and rural territories defined in the respective legal frameworks, above all in the Law on Agriculture and Rural Development and relevant by-laws, the territory of the Southeast region is a predominantly rural territory. Legal criteria defining rural areas and rural populated settlements are aligned with OECD and EU criteria, and they define the rural area as a territory with population density below 150 inhabitants per km², whereas a populated settlement of rural nature is a populated settlement numbering less than 3.000 inhabitants. Such criteria define the whole territory of the region as a rural territory, if taken into consideration that the average population density amounts to 62,5 inhabitants per km² with the exception of the town Strumica, numbering over 30.000 inhabitants. Of the total population in the Southeast region, 95.134 inhabitants, or 55,50% (171.416) live in 163 rural settlements⁴⁵ – villages. The following table gives an overview of the number of populated settlements for each municipality separately, as well as of the population size in towns or villages.

Table 66. Populated settlements and population size per municipality in the Southeast Planning Region

Municipality	Total of populated settlements - villages	Population		
		Town	Village	Total
Bogdanci – rural municipality	4	/	8.707	8.707
Bosilovo – rural municipality	16	/	14.260	14.260
Vasilevo - rural municipality	18 (2 depopulated villages)	/	12.122	12.122
Valandovo	28	6.000	5.890	11.890
Gevgelija	16	15.685	7.303	22.988
Dojran	11	2.000	1.426	3.426
Konche - rural municipality	13	/	3.536	3.536
Radovish	35 (16 depopulated villages)	17.137	11.107	28.244
Strumica	24	35.460	19.216	54.676
Novo Selo - rural municipality	16	/	11.567	11.567
Total:	181	76.282	95.134	171.416

Source: State Statistical Office of the Republic of Macedonia

⁴⁵ The total number of rural settlements – villages in the Southeast Planning Region is 181, but 18 villages are depopulated

12. ENVIRONMENT

Environmental management and protection is a crucial segment in regional development policies. The state of environmental quality in the Southeast Planning Region does not differ too much from other regions in the Republic of Macedonia.

12.1 Solid and liquid waste

12.1.1 Municipal and solid waste in rural areas

In most of the rural populated areas, no collection and depositing of municipal solid waste is performed. Municipal public enterprises have established a system of collection, transport and depositing of municipal and solid waste for the centres of municipalities and in some cases for larger rural settlements. As a result of this situation, as well as due to the low awareness and poor economic condition of rural population, this waste is treated by incineration or is deposited in illegal landfills which, according to unofficial information, number approximately 700 landfills in the region. They are mostly located in close proximity to villages, near river-beds or on agricultural areas, and as such they pose serious danger causing soil, groundwater and surface waters pollution, and finally, they endanger people's health.

12.1.2 Collection and depositing of solid waste, and illegal landfills

The situation related to solid waste management at the moment is below any standards in terms of care for the environment. Environmental monitoring is also put into question taking into consideration that waste management strategies are either outdated or municipalities are not in the financial position to implement them.

Municipal and solid waste management is under the jurisdiction of municipalities. They pursue this jurisdiction via municipal public enterprises. Until now, they have not been coordinated and they have been functioning according to their own regulations which generally create a dysfunctional regional system having negative consequences for the whole planning region. The waste collection, transport and depositing system does not cover the whole region, i.e. most of the villages are exempted from this system resulting in the existence and continuous creation of new illegal landfills. This is also enabled to a certain degree by the insufficiently developed, i.e. insufficiently precise primary and secondary legislation.

The quantities of collected and generated waste in the region over the period 2011 – 2013 are shown in the table below.

Table 67. Collected and generated waste in the Southeast Planning Region, 2011-2013

2011	
Collected municipal waste (tonnes)	Generated municipal waste (tonnes)
39.674	91.364
2012	
Collected municipal waste (tonnes)	Generated municipal waste (tonnes)
45.474	68.146
2013	
Collected municipal waste (tonnes)	Generated municipal waste (tonnes)
34.339	51.465

Source: <http://makstat.stat.gov.mk/pxweb2007bazi>

The largest quantities of generated waste in the region appear as waste from mining, packaging waste, absorbents, cleaning towels, filtration materials and protective clothing, thermal processes waste, construction and demolition waste, waste from agriculture, forestry, processing industry and municipal waste.

Illegal landfills are often the result of not having the service of collection and depositing of municipal solid waste by municipal public enterprises in most of the rural settlements. One of the major problems in view of these landfills is the collection of toxic packaging of pesticides and other chemical products. Collection of organic waste while cultivating lands is not as critical, but also has a significant contribution towards polluting the environment.

In order to overcome the issue of municipal solid waste collection and treatment in the region, it is necessary to continue the efforts to find a common solution for its integrated management. Over the past few years, there has been an initiative to resolve the issue by examining the possibilities to establish a regional solid waste management centre by means of public-private partnership, but until now no satisfactory solution has been found. At the moment, the initiative to look into the possibilities for construction of a regional landfill is ongoing, but the question remains of how to resolve the problems that have arisen as a result of the already existing landfills.

According to current data, the inappropriate disposal of municipal waste and the emission of greenhouse gases – methane, dioxins and furans and heavy metals participate with approximately 5,5 – 7,0% in the total greenhouse gas emissions in the country. In comparison, the same applies to the region as well.

12.1.3 Liquid waste – Storm and sanitary water

The Southeast Planning Region has no systematic regulation of wastewater to a large degree. Even though a large number of sewage systems are under construction in rural populated areas, households therein use septic tank systems to a great extent. This system does not include treatment, so there is no methane treatment.

Industrial water treatment is especially important if taking into account that there are a great number of micro producers and furniture manufacturers functioning here, i.e. wood industry, wine producers and can industry, which belong to the group of large polluters. In spite of the mandatory industrial water treatment, it is not of the required quality so as to reduce the negative impact on waters and soil.

Apart from farmers, mines are also one of the biggest polluters of water. However, Vardar River comes as a separate issue itself. It features high-level pollution due to not having treatment plants along its flow. Sewage systems and industrial water drain in it, i.e. they end up in the Southeast Planning Region. Even though the water is prohibited to be used as drinking water, it has been noticed that it is being used for irrigation purposes and for other purposes. This river's water also pollutes the surrounding sub-surface waters, thus having a long-term pollution effect.

12.2 Agriculture and the environment

The Southeast region is the most well-known and most developed region in terms of production of early fruit and vegetables and their processing. The region has a total agricultural area of 37.852 hectares, which is 11,7% of the total agricultural area in the Republic of Macedonia. The total used land amounts to 32.078 hectares, which expressed in percentage equals 12,1% of the total used land in the Republic of Macedonia.

From the perspective of use of agricultural land, agricultural area in the Southeast region has a share of 8.83% in the total area on national level. The region features a high degree of scattered land plots. Taking into account that they are predominantly privately owned, it may be concluded that they can be the subject of conversion of agricultural crops, thus changing the structure which contributes to the creation of greenhouse gases, but also directly endangering the environment by means of using agrochemical products.

The involvement of agriculture in environmental protection is in direct correlation to the way how land is cultivated, types of agricultural crops and their treatment. In addition, conversion of forests into agricultural land has a large influence. In this segment, agriculture is also related to the energy system, taking into account that wood mass is the most used biomass for household heating. Furthermore, it is being used for heating agricultural plastic and glass greenhouses, but it should be emphasised that here is where coal and petroleum jelly are most used.

The sector of agriculture is at the same time the second biggest producer of solid waste (animal and plant) after the mining sector. By applying good agricultural practice, the Southeast region may drastically change its image when it comes to pollution. This is as a result of the possibility to use animal and plant tissues, which are by-products, in the process of creation and exploitation of renewable energy. Unfortunately, the region does not pay enough attention to creating facilities which would treat and deposit such waste.

Regarding the effects of climate change on agriculture in the Southeast Planning Region, two studies have been conducted⁴⁶. The one focuses on the effects of climate change on the agricultural sector in Macedonia, whereas the other is focused on its negative influence on livestock husbandry. The livestock husbandry

study is the first of this kind in Macedonia. The purpose of the documents is to contribute towards improvement of climate change management when it comes to the agricultural sector.

It is alarming what arises as an assumption from the National Plans on Climate Change saying that in 2025 agriculture will take the lead in the production of greenhouse gases.

Organic production is a part of the positive changes which can largely contribute to preserving the environment. It needs to be systematically applied, i.e. it is necessary to elaborate a strategy on conversion to organic production because of the large number of stakeholders and the economic impact it would have on them.

The hydro potential of the region is at the same time a key factor in maintaining a healthy environment in the region. As a predominantly agricultural area, the Southeast Planning Region is dependent on the hydro potential of the river basin of Strumica River, as well as of the lower river basin of Vardar River.

The river basin of Strumica River was defined by a Decision of the Government of the Republic of Macedonia on determining the borders of river basin areas (Official Gazette of RM, No. 107/12 of 27.8.2012). This basin covers a territory of 1.649 km² or 6,41% of the territory of the Republic of Macedonia and stretches across six municipalities: Konche, Radovish, Strumica, Novo Selo, Vasilevo and Bosilovo. The basin of Strumica River consists of the river basins of rivers Strumica, Dvorishka and Lebnichka River, and is a part of the river basin of Struma River, which belongs to the Aegean Sea drainage basin. The basin of Strumica River is one of the four river basin areas in the Republic of Macedonia.

The main recipient is Strumica River. The length of the river is 114 km, 81 km of which are located on the territory of the Republic of Macedonia and 33 on the territory of the Republic of Bulgaria. Strumica River has a regulated river-bed of 31 km. Strumica River has no special spring, but a spring area comprised of Radovishka and Oreoveshka River, which join in Radovishko Pole (Radovish Field) and in this part Strumica River is known under the name Stara River. Turija River is the left tributary of Strumica River with length of its river-bed of 22 km – from Turija Dam to its drainage in Strumica River. Turija has 8 km of regulated river-bed. Monospitovo Channel is the right tributary of Strumica River with 14,1 km long river-bed. On its left side is drained Vodochnica River with 15 km of regulated river-bed. Trkanja River is the right tributary of Monospitovo Channel with 6 km of regulated river-bed.

A project is ongoing which objective is to improve water management within this river basin, by developing a river basin management plan and harmonising national legislation with EU Directives. The project implemented a series of measures on the level of river basin area in order to improve the quality of waters in the river basin area, but also to minimise the risks of floods, draughts and other harmful effects of climate change on water resources. The project is financed by the Swiss Government, and is implemented through the UN Development Programme in the Republic of Macedonia and should finish during the year of 2015.

Following the increase in temperatures as a result of climate change, due to negligence in exploiting mining resources, as well as due to the inappropriate use of pesticides and other agrochemical products, they face a high risk of pollution. Mediation in these issues caused by humans is possible and can be done in quite a short period. The greatest risk in terms of the hydro potential in the region is climate change. It is necessary to elaborate a long-term strategy in the field of regulation of watercourses, i.e. to create a water storage system. This means cleaning, repairing and upgrading drainage channels and their systematic linkage to water storages, as well as increase in their number and construction of new and extension of the existing irrigation systems.

12.3 Forests

Forests in the Southeast Planning Region belong to the group of mid open forests. In the region, there is a presence of deciduous and coniferous forests, mixed forests, but also degraded forests are found. Of deciduous forests, the most represented ones are oak and beech forests, whereas of conifers black pine and white pine and fir.

⁴⁶ „Study on adaptation to climate change in agriculture” and “Study on adaptation of livestock husbandry to climate change in Macedonia”, USAID project on adaptation to climate change in agriculture.

The total forest tree population in the Southeast Planning Region is presented in the following Tables 68 and 69.

Table 68. Total forest tree population in the Southeast Planning Region, 2010 -2013

Total (ha)			
2010	2011	2012	2013
141.216	141.216	141.216	141.189

Source: <http://makstat.stat.gov.mk/pxweb2007bazi>

Table 69. Forest tree population in the Southeast Planning Region according to type of forest (ha), 2010 -2013

2010				
Total	Deciduous forests	Coniferous forests	Mixed forests	Degraded forests
141 216	95.917	9.171	30.132	5.996
2011				
Total	Deciduous forests	Coniferous forests	Mixed forests	Degraded forests
141.216	80.193	9.180	45.847	5.996
2012				
Total	Deciduous forests	Coniferous forests	Mixed forests	Degraded forests
141.216	80.193	9.180	45.847	5.996
2013				
Total	Deciduous forests	Coniferous forests	Mixed forests	Degraded forests
141.189	94.202	9.184	31.807	5.996

Source: <http://makstat.stat.gov.mk/pxweb2007bazi>

According to the shape, there are long-stemmed trees of different age, long-stemmed one-age trees, short-stemmed trees and forest crops. The following table gives information on forested areas according to the types of trees in the region.

Table 70. Forested area according to the types of trees, 2012

Southeast Planning Region	Area (ha)
Total forested area	141.216
Deciduous trees	80.193
Coniferous trees	9.180
Mixed forests	45.847
Degraded forests	5.996

Source: State Statistical Office of the Republic of Macedonia, 2012 (www.stat.gov.mk)

Apart from wood mass, other (secondary) forest products are used from forests, such as: oak lichen, St John's Wort, yarrow, boletus mushroom, etc. Forest tree population management in the region is carried out through the subsidiaries of PE "Macedonian Forests" located in Strumica, Radovish, Gevgelija and Valandovo.

The development and sustainable forest management, apart from enriching the forest tree population, has the aim of protecting the forest and agricultural land from erosion.

12.4 Protected areas

In the Southeast region there are several protected areas – individual monuments of nature and natural reserves. From the perspective of the specifics of biodiversity, we would emphasise the following: Monospitovo Swamp and Dojran Lake. The waterfalls of Smolare and Koleshino should also be added herein, as well as Mokrinski springs, etc.

Dojran Lake is protected by the Law on Lakes in the Republic of Macedonia. After facing the catastrophe of drying out, there have been activities of filling the lake with water from the hydro system "Gjavato", which causes for the biodiversity to gradually re-appear within the lake's ecosystem.

Monospitovo Swamp is the most spacious water area of swamp type in the Republic of Macedonia. Today, it is the last swamp in the Republic of Macedonia and its current condition is only a minor remnant of former spacious areas under water, reed and moist meadows rich in life. Apart from the perspective of flora, its biological diversity is not much known.

12.5 Climate change and its impact

The Southeast region is considered as one of the most vulnerable regions in terms of climate change. Greenhouse gases are considered the cause of the existence and acceleration of the process of climate change. Burning fossil fuels is marked as the largest emitter of CO₂ and it is believed that they have increased by 70% over the last three decades. Apart from increase in temperatures annually, there is also decline in the number of days of rainfall and rainfall quantity. In addition, increase in evapotranspiration has also been noted. Except for the impact it has on people, which reflects the most through respiratory and cardiovascular problems, it also has an impact on agricultural and forest crops. Even more significant is its impact on the hydro-meteorological parameters which encompass groundwater and surface waters, i.e. their quantity.

In the following text, an overview is provided of the sectors and areas which will be hit the most by climate change.

12.5.1 Agriculture

As the most important industrial branch in the Southeast Planning Region, agriculture may suffer extensive damages, thereby also causing negative effects in the socio-economic events. By increasing the negative consequences of climate change, it is expected to have reduced yields when it comes to wheat, grapes, alfalfa, as well as tomatoes. Long-term consequences will cause soil degradation and its erosion.

12.5.2 Biological diversity

Climate change will significantly change refugia habitats, whereby vertical shift is noticed in terms of their vegetation belt. This means that certain species in the region might be permanently extinct, thereby causing a change in the natural chain of biodiversity regulation. One of the most significant natural reserves in Macedonia, Monospitovo Swamp, apart from the human factor, faces the challenges which go hand in hand with climate change and will be one of the most struck by this change.

12.5.3 Hydrographical resources

Climate change will also have an influence on water resources in the Southeast Planning Region, which are of utmost importance for the economic development of the region. Following the increase in temperatures, there will be a greater need for irrigation of agricultural areas, but at the same time, it is expected to have a drastic decline in water resources. As a result, it is necessary to conduct systematisation of surface waters and groundwater, and also to elaborate a strategy on its use and storage.

12.5.4 Human health

In addition to being exposed to chemical products which are being intensively applied in agriculture, as well as to the negative influence of ore quarrying, human health will be also struck by climate change. It is expected to witness an increased use of pesticides in agricultural activities as protection from new diseases and parasites, thereby causing water pollution. The impact will be directly felt by inhabitants with cardiovascular and respiratory problems, increased heat stress, malignant diseases, etc.

In order to mitigate climate change, a strategy needs to be developed for the Southeast Planning Region which would encompass analysis and recommendations on improving environmental management, i.e. liquid and solid waste management, regulation of groundwater and surface waters, as well as long-term revitalisation and protection of soil and air. Furthermore, attention needs to be paid in planning enhancement of plant and animal wildlife in the long run, and special measures should be adopted for protection of protected areas. Apart from elaboration of strategies and detailed action plans, it is necessary to generally educate the population, i.e. to raise the awareness of the population of the effects of climate change and their contribution to mitigating climate change.

13. AREAS WITH SPECIFIC DEVELOPMENT NEEDS

On the basis of Article 6 paragraph (4) and (5) of the Law on Balanced Regional Development, the Government of the Republic of Macedonia, during the session held on 10.02.2014, adopted its decision on determining areas with specific development needs in the Republic of Macedonia for the period 2014 -2016.

According to this decision, Article (2) outlines the areas with specific development needs in the Republic of Macedonia:

- Border areas, rural areas, hill-mountainous areas and other areas lagging behind in development;
- Areas with natural treasures and cultural heritage protected by law and
- Other areas with specific development needs as determined by law.

In the Southeast Planning Region, no areas have been determined according to the categorisation: areas with natural treasures and cultural heritage protected by law and other areas with specific development needs as determined by law.

Populated areas located in border areas, rural areas, hill-mountainous areas and other areas lagging behind in development are provided in List 1 as an integral part of the decision and they are published in the Official Gazette in the Republic of Macedonia No. 33/2014. The data have been used from there and presented hereafter in Table 71.

Table 71. Areas with specific development needs

MUNICIPALITY OF BOGDANCI		
Hill – mountainous areas	Border areas	Rural areas
/	Selemli Stojakovo	/
MUNICIPALITY OF BOSILOVO		
Hill – mountainous areas	Border areas	Rural areas
/	/	Borievo Bosilovo Gecherlija Drvosh Ednokukjevo Ilovica Monospitovo Petralinci Radovo Robovo Saraj Sekirnik Staro Baldovci Turnovo Hamzali Shtuka
MUNICIPALITY OF VASILEVO		
Hill – mountainous areas	Border areas	Rural areas
Kushkulija Nivichino	/	Angelci Varvarica Vasilevo Visoka Maala Vladievci Gradoshorci Dobroshinci Dukatino
		Edrenakovo Kushkulija Nivichino Nova Maala Piperovo Radichevo Sedlarci Sushevo Trebichino Chanaklija
MUNICIPALITY OF VALANDOVO		
Hill – mountainous areas	Border areas	Rural areas
/	Bajrambos	/

MUNICIPALITY OF GEVGELIJA		
Hill – mountainous areas	Border areas	Rural areas
Huma	Bogorodica Moin Huma Konsko	/
MUNICIPALITY OF DOJRAN		
Hill – mountainous areas	Border areas	Rural areas
/	Organdzhali	Durutli Gjopcheli Kutamzali Nikolikj Nov Dojran Organdzhali Sevendeli Sretenovo Star Dojran Furka Crnichani Chaushli Dzhumabos
MUNICIPALITY OF KONCHE		
Hill – mountainous areas	Border areas	Rural areas
Gorni Lipovikj	/	Gabrevci/ Gavran Gorna Vrashtica Gorni Lipovikj Dedino Dolna Vrashtica Dolni Lipovikj Dolni Radesh Zagorci Konche Lubnica Negrenovci Rakitec Skorusha

MUNICIPALITY OF NOVO SELO		
Hill – mountainous areas	Border areas	Rural areas
Barbarevo Stinik	Stinik Badolen Drazhevo Staro Konjarevo Novo Konjarevo Smolari Mokrino Mokrievio Borisovo Koleshino	Badolen Bajkovo Barbarevo Borisovo Drazhevo Zubovo Koleshino Mokrievio Mokrino Novo Konjarevo Novo Selo Samoilovo Smolari Staro Konjarevo Stinik Sushica
MUNICIPALITY OF RADOVISH		
Hill – mountainous areas	Border areas	Rural areas
Ali Koch Ali Lobasi Kozbunar Kodzhaliya Novo Selo Papavnica Smilanci Shaintash Shipkovic Shturovo	/	/
MUNICIPALITY OF STRUMICA		
Hill – mountainous areas	Border areas	Rural areas
/	Gabrovo	/

Source: Official Gazette of the Republic of Macedonia, No. 33/2014

According to the Decision on determining areas with specific development needs, in the Southeast Planning Region there are 16 hill-mountainous areas classified, as well as 19 border areas and 77 rural areas with specific development needs.

14. SWOT ANALYSIS OF THE SOUTHEAST PLANNING REGION

For the development of a relevant and comprehensive strategy, a comprehensive SWOT analysis is necessary. It helps in a systematic and organised way in identifying and analysing external and internal factors and their interconnectedness.

The proper and detailed setting up of relations and their connection to the PEST analysis gives a comprehensive overview of the surroundings where the Programme will be implemented.

The initial selection of factors involved defining them according to the following categorisation.

- **Important,**
- **Unimportant,**
- **Positive, and**
- **Negative.**

In continuation to the PEST analysis, assessment of the situation was performed which laid the foundations in justifying the relevance and appropriateness of the Programme. Using the SWOT matrix, the following strengths and weaknesses of the region were analysed and defined:

Strengths and weaknesses defined as internal characteristics of the region

- **Strengths** of the region as internal characteristics of the region which will contribute towards implementation of the Programme and use of the opportunities and elimination of threats.
- **Weaknesses** of the region as internal conditions which will negatively affect the implementation of the Programme will increase the impact of threats and reduce the potential of opportunities.
- **Opportunities** defined as an external factor which, if used using the strengths, can contribute towards successful implementation of the Programme.
- **Threats** defined as an external factor which, if not eliminated, together with the strengths and the use of opportunities will lead to failure in the implementation of the Programme.

In order for the SWOT analysis conducted per sector be of use, it contains the consequences of the identified factors relevant for the territory and the population of the Southeast Planning Region.

So as to reach the desired effect, the most important factors were prioritised and their synthesis was made in view of the analysed sectors and topics related therewith.

While conducting the SWOT analysis, assessment was performed of the resources planned for the implementation of the Programme.

The SWOT analysis illustrates the potential relations between the various aspects/ topics and it should identify possibilities for their resolution.

Following the principles of transparency, participation, and at the same time adherence to the legal framework, during the preparation of the analysis, the quality and the source of entered information was paid attention to, with their previous analysis and verification.

The final product of this analysis was the obtained actual assessment of the needs of the region.

During the next stage, the relevant strategic goals, priorities and measures were defined, taking into consideration the needs and the possibilities in the forthcoming period of five years.

Table 72 a. Strengths of the Southeast Planning Region

STRENGTHS
<ul style="list-style-type: none"> • Good geographical location (in proximity of two EU member states) • Natural resources (mineral raw materials, ore treasures, water, arable land) • Favourable climate conditions for production of early fruit and vegetables • Export-oriented processing industry • A large number of active business entities • A large number of local industrial zones • Recognisable brands • Natural treasures (Dojran Lake, Monospitovo Swamp, waterfalls) • Geothermal springs (Bansko, Negorci) • Protected areas (Smolarski waterfalls) • Cultural and historical buildings and archeological sites • Organisation of a large number of events (carnivals, festivals) • A large number of tourism and catering establishments (restaurants, bars, etc.) • Rich gastronomy offer • Hospitable population • Highly educated and skilled staff (labour force) – in the sectors of information technology, agriculture and construction • Favourable GDP trend (growth) • Sufficient capacity of school infrastructure to receive pupils and students • Professional municipal administration • Established cooperation between municipal social work centres • Good practices of inter-municipal cooperation • Flexibility and innovation with regard to market demand • Cheap (competitive) labour force • Proximity of populated settlements • Number of transport vehicles (trucks) • Existence of a large number of design and construction companies • Capacity (volume and quality) of companies in the construction sector • The largest and most well-known region for production of agricultural products • Favourable climate • Soil quality • Increased agricultural areas • Geothermal waters • Water potential

<ul style="list-style-type: none"> • Developed projects on use of thermal waters • A large number of hours of sunshine • Biomass • Geostrategic position – good geographical location and connection to European borders, markets and guests • SMEs – processing enterprises – flexible SMEs and easily adaptable according to the market demand • Processing of agricultural products is an export-oriented branch in the region • Agro stock market and distributional centres • New technologies introduced in agriculture • Forested area • Quality and recognised production • Non-existence of large polluters in the region • Human resources (educated staff in the public and private sector in the field of primary agriculture and food processing) • Established working habits among farmers • Sufficient areas under pastures • Favourable environmental and micro climate conditions for development of livestock husbandry • Authentic food and tradition • Civil sector with capacity to associate and commonly appear in the implementation of initiatives and projects • Diversity of natural resources and a relatively good condition thereof • Non-existence of large polluters in the region • Human resources (educated staff in the public and private sector in the field of environment, climate change and energy efficiency) • Favourable climate conditions for exploitation of alternative energy sources • Existence of a certain practice in improving energy efficiency of buildings in the region and exploitation of the energy from the sun to obtain solar and photovoltaic energy • Protected areas abundant in plant and animal wildlife • Study on the effects of climate change in agriculture for the SEPE conducted and prepared • Study on the use of renewable energy sources for the SEPE conducted and prepared • Municipal jurisdiction in environmental protection – B integrated permits and solutions adopted in terms of environmental protection elaborates • A large potential for energy production from renewable energy sources (a relatively windy region, a large number of sunny days) • Existence of a partially constructed infrastructure of sun panels, windmills
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Table 72 b. Weaknesses of the Southeast Planning Region

WEAKNESSES
<ul style="list-style-type: none"> • Poor road infrastructure • Unorganised placement of agricultural products • Weak competitiveness of existing enterprises • Small fixed capital investments • Weak technical and technological level of equipment of enterprises • Tendency of decrease in exports • A low number of graduated students • Lack of institutional support for the business sector • Low level of investments • Unarranged industrial zones • A small number of products with high value added • Lack of capital and ready money for financing development projects of the business community • Lack of harmonisation of the labour force with market needs • Illegal landfills in the proximity of tourist sites • Weak tourism signalisation • Poor condition of spa tourism facilities • Low quality of service in tourism and catering establishments • Insufficient private investments in tourism • Weak tourist offer near natural attractions and villages • Insufficiently protected and arranged cultural and historical buildings and archaeological sites • A small number of cultural institutions (cinemas, theatres, museums) • Unequal and poor presentation of cultural and historical heritage • A small number of tourist information centres • Weak promotion • Non-existence of an integrated tourist offer • Lack of licensed tour guides • No institution/ organisation in charge of tourist destination management • Lack of motivation among youth to work in the tourism and catering sector • Weak cooperation among entities in the field of education, culture and tourism • Insufficient equipment of schools (tools and furniture) • Insufficient funds – financially “thin municipal budget” (low budget lines for education and social policy) • Insufficient cooperation among institutions on local and regional level

<ul style="list-style-type: none"> • Inappropriate institutional and beyond institutional adult education (re-qualification and further qualification) • Inadequate professional staff and professional orientation • Inadequate balance between labour force supply and demand • Increase in the number of persons on the verge of poverty, especially of marginalised and socially excluded categories of citizens • Bad road connection between municipalities (both between municipalities and between populated settlements) • Lack of qualified labour force (per certain sectors) • Insufficient cooperation between mayors • Legal regulation (mid legislative level) • Insufficient capacity for implementation of EU funded projects • Non-existence of an underground cadastre • Outdated water supply systems, wastewater and storm water systems • Insufficient capacity of the sewage network (sanitary sewer) • Insufficient number of parking places and locations (parking lots) • Scattered agricultural land – small areas • Outdated mechanisation of agricultural holdings and individual producers • Unused EU funds (IPARD) • No urban planning documentation on villages and rural areas • Low standard – economic capacity of farmers • Insufficiently educated farmers for application of new technologies • Weak capacity and interest for association of farmers and economic entities • Insufficient capacity of livestock compared to natural resources and possibilities • Insufficient use of laboratory services • Non-stimulating subsidies – social dimension • Unused credit lines (insufficient capacity) • Unorganised placement of agricultural products • Weak regional cooperation and regional marketing • Inadequate use of the water potential • Outdated irrigation and drinking water systems • High prices and weak representation of veterinary services and standards • Weak placement of livestock products • No facilities – slaughterhouses with outdated technology

- Weak interest in livestock husbandry
- Unplanned production
- Lack of (authentic) packaging
- Poor spatial/ urban setup and insufficient development of infrastructure in most of the villages
- Weak private/ individual accommodation establishments in rural populated areas
- Insufficient use of natural and cultural resources for development of rural tourism
- Non-existence of a regional strategic document for environmental management
- Big differences in municipalities' capacities for pursuing their competences in the field of environment
- Insufficient number of highly skilled persons in the field
- Non-existence of a regional solid waste collection and treatment system
- Non-existence of a regional landfill and infrastructure for waste treatment and recycling
- Non-existence of an infrastructure for appropriate treatment of livestock carrions and remains
- Non-existence of an infrastructure for appropriate storage and treatment of chemical fertilizer packaging
- Insufficient coverage of the whole region with waste collection (rural areas and populated areas)
- A large number of illegal landfills
- A small number of treatment plants
- Weak awareness among citizens regarding waste depositing
- A small percentage of municipal fee payments
- No selection of waste
- Insufficient equipment of PE with mechanisation (old mechanisation – high cost price of solid waste collection)
- Unused existing facilities for more efficient environmental management
- Non-existence of technical documentation (in all municipalities) for construction of an infrastructure for wastewater drainage and treatment, and storm sewer
- Outdated hydro-ameliorative systems, also featuring weak capacity
- Outdated storm water drainage channels, also featuring weak capacity
- Insufficient promotion of renewable energy sources
- Decline in groundwater
- Irrigation with polluted water
- Uncontrolled discharge of waste materials and chemical substances in water and soil – polluting water resources, infrastructural facilities, agricultural land and forests in the region
- Disruption of biodiversity in the region
- Insufficient capacity of incentives for the use of renewable energy (sun, wind, biomass)
- Lack of institutional coordination
- Non-existence of a regional approach in protecting forests
- Weak capacity of the fire prevention system and not having covered the whole region with this system

Table 72 c. Opportunities of the Southeast Planning Region

- | OPPORTUNITIES |
|--|
| <ul style="list-style-type: none"> • Increased food demand globally • New export markets • Gasification of the region • Promotion and attracting investments in industrial zones • Attracting investments in the processing industry • Setting up a business centre for support to and consultancy services for SMEs • Advisory and expert assistance for the business sector aimed at improving competitiveness • Establishment of a technology park • Establishment of a business incubator • Use of EU and other international funds • Use of business support programmes from the central budget • Investments by the Diaspora • Establishing cooperation with economic promoters and involvement of the Diaspora in the promotional activities of the region • Introduction of new technologies • Re-qualification of labour force • Product branding • Entrepreneurship and self-employment programmes • Association of the private sector • Use of cheap energy • Exploitation of mineral raw materials (Ilovica) • Stimulating public-private partnership (PPP) • Boosting traffic on the A1 highway (Demir Kapija – Smokvica section) and development of transit tourism • Use of programmes/ funds aimed at improving infrastructure in villages and areas with specific development needs • Use of domestic and international funds aimed at improving tourist infrastructure • Closing down illegal landfills situated near tourist sites and revitalisation of the area / regional landfill • Increase in the accommodation capacity • Attracting investors in tourism • Development of a private accommodation offer • Categorisation of accommodation and catering establishments • Education of the population in rural tourism • Increased demand for active, recreational and sports tourism • Attracting domestic tourists with higher purchasing power |

- Conservation, restoration and reconstruction of cultural and historical monuments
- Establishment of tourist info centres
- Establishment of multimedia centres for promotion of tourism
- Use of new technologies to improve tourism presentation and promotion of the region
- Development of tourist attractions (panoramic tram, ethno village)
- Public-private partnership as an alternative means of investment
- Promotion of capacities for holding conferences and development of congress – conference tourism
- Creating a regional tourist offer
- Development of cycle tourism on the Iron Curtain Trail (EuroVelo 13)
- Hunting and fishing tourism
- Founding a tourist destination management body
- Diaspora, EU funds, IPARD
- Development of innovative tourist products
- Training, requalification of staff
- Campaign and measures aimed at motivating youth to work in the tourism sector
- Inter-municipal cooperation
- Opening new vocational education school
- Public-private partnership (PPP) with educational institutions and institutions active in the field of social policy
- Re-qualification and further qualification for the purpose of meeting the needs on the labour market
- Possibilities to delegate tasks of the ELC to other entities
- Cooperation on regional and international level (EU projects – cross-border cooperation). Transfer of know-how and use of good practices
- Good geostrategic position
- Good communication conditions for business development
- Access to and use of IPA funds (CBC and IPARD), national funds and other funds
- Use of subsidies for development purposes
- Use of credit lines
- Adequate implementation of sector legal regulations
- Raising the awareness among population in terms of production of healthy food
- Preparation of planning documentation
- Introduction of production and processing standards
- Branding agricultural products and food
- Organic eco production and introduction of standards in organic production

- Access to new technologies and mechanisation
- Introduction of Global GAP and other good agricultural practices (GAP) in primary production, HACCP and other standards in processing agricultural production
- Association (cooperatives, clusters, associations) and use of benefits arising from association
- Education of farmers
- Existence of subsidies
- Enlarging agricultural holdings
- Modernisation of road and railway infrastructure
- Modernisation of municipal infrastructure
- New irrigation facilities and technologies – drop by drop
- Opening new markets as a result of global policies
- Natural and cultural resources for development of rural tourism and non-agricultural rural economy
- Use of IPA funds (CBC) and national funds
- Appropriate implementation of sectoral legal regulations
- Raising environmental awareness among the population
- Use of waste management technologies and access to finances for these purposes
- Use of renewable energy sources (RES) technologies
- Regional waste management
- Increase in the cooperation with the civil sector on environmental protection projects
- Stimulating cooperation between the public sector, business sector and universities
- Introduction of new “green” technologies
- Gasification of the region
- Establishment of public-private partnerships in the field of use of RES and waste management
- Use of the existing education system in the region to raise the level of education of its citizens
- Stimulating and motivating citizens and economic entities to use RES by means of a created regional subsidising/ tax relief system
- Re-cultivation of existing and illegal landfills

Table 72 d. Threats to the Southeast Planning Region

THREATS
<ul style="list-style-type: none"> • Impact of climate change on agriculture • Migration • Inefficient judiciary • Low allocation of financial resources on national level to improve infrastructure in the region • Crisis in Ukraine • Global political situation in Europe (export in Russia) • Globalisation – tourist demand • Decline in the purchasing power of population • Postponing the accession of the country to the European Union and NATO • Migration / Emigration (village – town – abroad) • Competition (Greece, Bulgaria) • Global economic crisis • Migration of population (mechanical brain drain) • Decline in the number of pupils and students (primary and secondary education) • Migration of expert staff (young people/ working-age population) • Reduction of block subsidies • Indirect impact of climate change on education • Invalid urban plans (GUP, DUP, urban plans of villages) • Inappropriate maintenance of existing infrastructure • Inadequate parking lots • National and EU policy – certain lack of harmonisation • Stagnation of the EU and NATO accession process • Demographic shift – migration and emigration • Lack of finances • National policy of import and export of agricultural products • Brain drain of highly educated labour force • Undeclared seedlings and sowing material • GMO • Uncontrolled import of cheap agricultural products • Uncontrolled use of pesticides and mineral fertilizers • Expensive equipment and its maintenance • High price of energy • Impact of climate change on agriculture

<ul style="list-style-type: none"> • Low capacity and outdated hydro-ameliorative systems • Decline in groundwater • Irrigation with polluted water • Uncontrolled discharge of waste materials and chemical substances in water and soil – polluting water resources, infrastructural facilities, agricultural land and forests in the region • High price of energy • Unstable interest rate policy • Variable legal regulations • Unfair competition • Conversion of pastures into arable or construction areas • Lack of harmonisation in the position with regard to the management of the regional landfill (national, regional, local) • Lack of harmonisation in the implementation of national, regional and local policies • Impact of climate change on the socio-economic life and natural resources (natural catastrophes, increased temperatures, etc.) • Location of industrial zones (defined by the central government) • Opening mines • Stagnation of the EU/ NATO accession process • Low allocation of financial resources on national level for the purpose of improvement of infrastructure in the region • Environmental pollution – soil, groundwater and surface waters • Change in the soil structure • Endangering biodiversity (flora and fauna) as a result of pollution and climate change • Weak economic power of citizens for environmental protection and climate change mitigation • Weak capacity of the administration in terms of environmental management
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14.1 Description of the SWOT analyses and their interconnectedness

Based on the above presented SWOT analysis we can sum up the following conclusions:

14.1.1 Economy and Investments

The sector Economy and Investments in the Southeast region has important advantages which are also possibilities for additional economic growth. The region has a good geographic position, it is close to two EU member states (Republic of Greece and Republic of Bulgaria), has a large number of business entities and an export oriented processing industry.

On the territory of the region there are important natural resources (arable land, mineral raw materials, ore, water and sunny days) which are insufficiently used and are both a potential and strength.

The Southeast Planning Region is predominantly an agricultural area which has favourable climate conditions for production of early vegetables and fruits. The increased food demand in global terms, the constant increase of food prices, the opening of new markets for export of agricultural and canned products are possibilities for positive development of agriculture, thereby improving the overall economy of the region. However, the decrease in the number of active business entities and the downward tendency of export are concerning factors. The global political situation in Europe and the crises in Ukraine are potential threats to export.

The exploitation of mineral raw materials (The Buchim Mine in Radovish and the investments in construction of a mine for copper and gold in the village Ilovica, Bosilovo) is an important possibility for a more dynamic development of the mining sector and stone excavation.

Gasification of the region, as well as implementation of activities for providing energy from stable, secure, clean and sustainable sources of energy is a great potential arising from the favourable climate conditions in the region for energy production from sun, wind and bio mass.

There are many active business entities in the region which are an additional possibility for development of the region. The micro enterprises are the driving force of the economy of the region and a proof of the entrepreneurial spirit of its inhabitants. Apart from the agricultural sector there is also potential in the construction sector which has possibilities for expanding taking into consideration that the region has a positive migration record and a stable birth rate. What is concerning is the low value of investments in fixed assets, the low technical and technological capacity and the low level of innovation in the companies. On the other hand, the region has weak institutional support for the business sector, therefore it rarely uses the services of the economic chambers and other institutions for education, marketing and expertise.

There is a need for active support for improvement of the competitiveness of the existing companies by establishing an institutional frame for business support, support for introduction of new technologies, development of a quality expert support for business and support for establishment of clusters. It is also necessary to support innovativeness in the companies and to create a set of measures for creating a knowledge-based economy by promoting the possibilities for using science in the development of economy. The establishment of a Business centre for support and consultancy services for SMEs and a Technology park are possibilities for overcoming the abovementioned weaknesses. The lack of capital for investments and ready money for financing of the development projects is a weakness, which can be remedied with implementation of measures for simplifying the approach to the available financial means, building capacities for using means from state, European and international funds intended for business, as well as promotion of various forms of joint investments in order to increase the social responsibility of the business sector.

The existence of local industrial zones with determined urban planning documentation is an important precondition and strength for increasing investments. On the other hand, the existing industrial zones do not have complete infrastructure. Activities need to be undertaken for construction of infrastructure in the existing industrial zones, as well as promotion of the comparative advantages of the region before the potential investors. The inclusion of the Diaspora and the economic promoters is a possibility for increasing the level of investments in all sectors and especially in the processing industry. The inefficient judiciary and the prolongation of the EU and NATO accession process are potential threats for the region.

The poor road infrastructure can be a serious obstacle to the business development in the region. Investing in improvement of infrastructure can have positive effects on the economy since it decreases the transport costs and creates conditions for faster flow of goods and people. The low allocation of financial means from the central budget is a threat to the improvement of the road infrastructure in the region.

The misbalance between the working force and the market needs and the growing tendency of unemployment in the past two years, are serious obstacles for fast economic development. The promotion of attractive employment measures, requalification of staff, promotion of programmes for supporting entrepreneurship, self-employment and craftsmanship and establishment of a business incubator, are possibilities which need to be used. Migration of the population is a potential threat.

14.1.2 Tourism and culture

The favourable geographic location is an advantage for the region since important roads connections pass through it (highway A1 and motorway A4) and three border crossings (Bogorodica, Dojran and Novo Selo). A weak point with regards to infrastructure are the illegal dump sites near the tourism localities, the poor communal infrastructure in the rural areas and the weak tourism signalization which does not offer sufficient information and signs for the tourism localities in the region. In this regard possibilities for improvement of the condition have also been determined through usage of the available funds for development of villages and the areas with specific development needs, as well as revitalisation of the space around the illegal dump sites by constructing a regional dump site and introduction of a system of organised waste collection.

The Southeast region has an abundance of original natural beauties which are a potential for tourism development such as: natural and artificial lakes, mountains, waterfalls, natural springs, spas and other re-

sources. The tourism destinations Dojran, Kozhuf, Smolare, Koleshino, Bansko, Negorci, etc. have a defined tourism offer. The negative i.e. weak sides of the efforts for increasing the number of tourists are: the poor condition of the capacities for spa tourism, the low quality of services in the accommodation and catering capacities, lack of private investments in tourism and the insufficient tourism and catering offer near the tourist attractions. Possibilities for improvement of the condition are attracting new investments in the tourism and catering sector, construction of authentic traditional style accommodation capacities, rural tourism education for the population, attracting domestic tourists with higher purchasing power, development of the private accommodation offer, categorisation of the buildings in the tourism and catering sector, improving the village infrastructure and presentation of the traditional customs, crafts and gastronomy. The prolongation of the EU and NATO accession are seen as potential threats which will have a negative influence on the efforts for attracting new investments, the migration tendency from the villages to the urban settlements and abroad, the offer of the competition destinations in Greece and Bulgaria and decrease of the purchasing power of the domestic tourists.

There are numerous cultural and historical localities and buildings in the region. The weaknesses are the insufficient care for the cultural and historical capacities as well as the scattered and weak presentation of the cultural and historical treasures. There is a need for greater efforts for protection of the cultural heritage and implementation of more activities for conservation, restoration and reconstruction of the cultural and historical monuments. The establishment of tourism info-centres, multimedia centres for tourism promotion as well as utilisation of new technologies for improvement and unification of the presentation of the cultural heritage are also available possibilities of the stakeholders for providing tourists with a clear picture about the region's history. Furthermore, the investments in the development of new tourism attraction (panorama trams, ethno villages, etc.), will have a positive influence on the development of the cultural and church tourism. Apart from the standard ways for financing of investments in this field there is a possibility for creating partnerships between the public and private sector and establishing a model for suitable development of tourism in the region.

The large number of cultural events and other events which are organised in the region have considerable potential for the development of the tourism destination Southeast. It is indispensable to integrate the entire offer in the region and to create several tourism packages for visits to the Southeast region. The additional potentials of the region (capacities for conference tourism, wineries, and hunting grounds) have been identified as possibilities for creating a quality regional offer which would attract additional tourists and would increase the length of the stays in the region. The establishment of a body/organisation for management of the tourism destination is an additional possibility for creating long-term positive trends in this area.

There are many catering capacities in the region, and the inhabitants are known for their hospitality. However, in order to implement the ambitious efforts the main precondition is strengthening the capacities of the staff in the tourism and catering sector. It is necessary to eliminate the determined weaknesses: lack of motivation among the young working in the tourism and catering sector, the small number of licensed tourist and mountain guides and the lack of cooperation among the stakeholders in the field of education, culture and tourism as well as exploiting all the available possibilities: using the resources from the European and international funds, identifying the needs of the work force, training, requalification and further training of staff, creating a partnership relation among all stakeholders, organising motivational campaigns, etc. The migration from the region is the most important defined threat to the elimination of the abovementioned weaknesses.

14.1.3 Social policy and education

The sector Social policy and education in the Southeast region has important advantages which are also a possibility for further development of the region. Apart from the geographic location, the vicinity of two EU member states, the favourable GDP trend, the educated and professional staff (cheap and competitive work force), and the flexibility and innovativeness with regards to the market demand create a favourable basis and potential for development of the region.

Important demographic characteristics are the stagnation of the population growth and reproduction of the population, low number of social financial assistance users.

Even though the registered number of migrants is low, that does not show the realistic situation because of the procedures and the large number of people who are not registered especially those leaving the region.

On the territory of the region there is a sufficient number of educational institutions (universities and high-schools), however the number of students in primary and secondary education is decreasing.

With regards to education (secondary and university) there is a need for greater cooperation and synergy with the business sector and elaboration of new programmes (curricula), schools and faculties in accordance with the needs of the business sector and the work force demands, as well as usage of the flexibility and innovativeness both of the work force and the business sector.

The following social parameters should be mentioned:

The established good practices on inter-municipal level should improve the communication and cooperation on regional level with the sectors Social policy and Education. The improvement of the social sphere conditions through delegating certain activities of the municipalities to other stakeholders.

The well-developed SMEs which create conditions for public-private partnership in the social services and education sphere.

The establishment of institutional and informal forms of education (training, requalification and further training) and the flexibility of the work force should provide even greater labour market conditions and creation of work force in accordance with the needs of the business sector.

Using good practices on international and cross-border level is a factor which may improve the living standard in the sphere of social policy and education.

14.1.4 Transport and infrastructure

The sectors Transports and Infrastructure in the Southeast region compared to the other regions have more strengths than weaknesses. The positive balance should be a possibility for additional development. The geographic location and the existence of two border crossings with two EU member states (Republic of Greece and Republic of Bulgaria), the good communication connection and the considerable number of companies in the construction sector should be a solid base for intensive and sustainable development of the region.

The road infrastructure is well developed, even though there is room for its improvement.

The length and quality of the local road infrastructure is satisfactory, however it is far below European standards. There is a positive trend in the increase of the length of paved roads. However, there is a need of new local roads and improvement of the existing road sections especially between the settlements in the municipalities and between the municipalities.

The length and quality of the highways, express and motorways is satisfactory, however far below European standards. According to legal regulations these roads are under state jurisdiction.

There is no railway network on the territory of the region, even though there are conditions for connection of the two railway lines. One is Strumica-Valandovo-Miravci and the other is Shtip-Strumica-Petrich (R. Bulgaria). With regards to air transport, the sports and commercial airport in Strumica could improve the communication in the agricultural and other commercial sectors, and contribute to the development of sport (parachuting, paragliding and gliding) with the possibility for development of tourism related to these sports branches.

The communal infrastructure in the region is in a poor condition, especially in the rural areas. The settlements are supplied with drinking water mainly from well systems and surface waters (accumulations). There are conditions for its improvement through regional initiatives and projects.

The Southeast Planning Region has a lack of natural sources of water and there is a shortage of sanitary and drinking water. Apart from the shortage there is a high water supply rate and high water losses in the old water supply networks. The water supply rate is 350 – 450 l/inhabitant/day – high water losses, old network, inefficient and unorganised public enterprises, and weak payment collection under 40%.

There is a need for reconstruction and renovation of the existing water supply networks, their modernization (replacement with new ecologic pipelines), construction of new water supply systems and decreasing the water losses (including unpaid).

The condition of waste water systems is relatively bad. The collector and sewage systems for waste water exist mainly in the urban centres, even though they are also not 100% covered. The rural settlements are in a poor state and the problem is most often solved with septic tanks. There is only one waste water treatment plant in the region located in Dojran. From the planned activities, the preparation of technical documentation for construction of waste water treatment plants for Strumica and Gevgelija is in the final phase.

The rate of energy consumption in the region is higher than the production. Regarding the energy potential, it should be mentioned that the region does not have a high hydropower potential and it is completely dependent on electricity and other energetic materials. The solution for the high energy dependency is the usage of renewable sources of energy (wind, sun and biomass). Concerning the usage of renewable sources of energy there are operational windmills in Bogdanci and several small power plants with low capacity photovoltaic collectors in Dojran.

14.1.5 Agriculture and rural development

The Southeast Planning region has important advantages in the agriculture and rural development sectors which together with the existing possibilities give a solid base for an even greater and more intensive development of this area. The Southeast Planning Region is the largest and most well-known region for production of agricultural products. Its location is of strategic importance for these kind commercial activities: border region which borders two EU member states, relatively good road infrastructure and connection within the region and with the other parts of the country.

The region has a large amount of natural resources which are needed for the development of this sector. These are: quality soil, large agricultural land, water potential and the existence of geothermal waters. Parts of these resources are not used as efficiently as possible, such as the water potential with regards to irrigation and geothermal waters as clean energy. In the region there is also a considerable number of pastures which contribute to the development of livestock breeding. Turning part of the pastures into arable and construction land is a threat which can complicate and block the development of this commercial sector.

The Southeast region has a good climate potential for the development of agriculture. The large number of sunny days offers excellent conditions for the development of gardening, fruit growing and vine growing. The climate conditions are also favourable for usage of renewable sources of energy in the direction of providing energy for the agricultural sector. The analysis shows that there are ongoing initiatives in the region for setting up such installations such as solar and photovoltaic systems in some of the commercial capacities, and that there is a basic gasification network which needs to be further developed.

The agricultural sector is a leading agricultural branch and a driving force for the development of the region. The largest number of active business entities is in the area of primary agriculture and agricultural products processing.

The sector is comprised of a large number of smaller family agricultural holdings and individual producers. Apart from the primary agricultural production, there are processing capacities in the region represented by SMEs which are export oriented, flexible and easily adjustable to the market demand. Part of these processing capacities has introduced new, modern technologies and standards for work and production. Furthermore, in the region there is an existing value chain structure through purchasing and distribution centres and agro stock market, which has potential and need for strengthening. Even though livestock breeding is present in the region, there is a need for an integrated and strategic approach for its improvement. The analysis points to the need for introduction of an institutional frame for organised and active support for increasing the competitiveness of the economic entities in the agriculture and processing sector, by providing possibilities for a joint and organised approach, introduction of new technologies and working standards, and establishing a quality and appropriate support for increasing the quality of the final product. Moreover, there is a need for support of innovations in the sector which will contribute to the decrease of expenditures and increase of the value of the products. There is also a need for cooperation among the agricultural holdings and the educational institutions in order to use science for the development of a modern agricultural sectors as well as providing education for the agriculture workers on using the new technologies. The lack of capital for investments and ready money for financing of development projects in the agriculture sectors is a weakness, which can be overcome by implementing measures for providing easier access to available financial means as well as promotions of various forms of joint investment in order to increase the capacities and standards in the sectors. Strengthening the capacities in organic production and processing of organic agricultural products offer considerable possibilities for improving competitiveness and increasing export. There is a need for measures which will influence the awareness of the entities for converting to such production and organised advisory and financial support for enlarging the land for production of organic agricultural products and increasing the processing capacities. In this regard, support for certification and transfer of know-how should be also taken into consideration.

Even though the agricultural sectors have the largest development potential, the region faces disparities in the social and economic development of the rural municipalities and the municipalities with urban settlements. The problems generate disparities in the human resources capacities, mostly in entrepreneurship, lower living standard and availability of services as well as a tendency of migration of the young population abroad. Migration in the rural areas is a serious threat which together with the migration of the professional and young working force poses a serious challenge for the development of the sector and the region. In order to further develop agriculture in the region, there is a need for active measures for decreasing the migration processes through improvement of the quality of life and access to services in the rural area through improvement of the communal and road infrastructure and investing in the development of villages, stimulating entrepreneurial spirit, opening new businesses and further strengthening the human resources capacities. The national agricultural and rural development programmes, the IPARD programme and the programmes of other ministers are a serious possibility which could contribute to improvement of the current situation if there is a strategic approach towards building capacities for their usage.

The region has a predominantly rural character and as such offers possibilities for diversification of the rural economy. The advantages point to the existence of preconditions for strengthening the activities in this direction, such as human resources, the geographic location of the region and the active economic entities which are located in the rural settlements. Their more efficient mobilization can contribute to the opening of new business entities and new working positions which will have a positive influence on the quality of life and the migration processes. The natural and cultural resources have considerable capacity and can also be used for the development of non-agricultural economic activities in the rural areas. Rural tourism is one of the aspects of such development.

14.1.5 Agriculture and rural development Environment protection

The condition of environment protection and management of the Southeast Planning Region is relatively good and it gives the region an image of an ecologically clean area. There are major polluters in the region; therefore the diversity of natural resources is still on a relatively good level. The natural heritage of the region is abundant and diverse. The region is rich in forest and underground waters, rivers, natural lake and a number of artificial accumulations. Part of the underground waters is known as water with high capacity of geothermal energy. There are many monuments of nature and natural reserves in the region. Most important ones in the aspect of uniqueness of biodiversity are the Monospitovo swamp, the only remaining swamp in the Republic of Macedonia and the Dojran Lake which is protected with the Law on Lakes of the Republic of Macedonia, as well as the Smolari and Koleshino waterfalls, etc. In order to protect the natural heritage and the biodiversity in the region it is indispensable to have a clear political vision of the central government and the local authorities in the region, integrated efforts for defining the development and protection measures and initiatives, adequate financial means and human resources, which have the capacity to implement such measures and initiatives through concrete projects. The key identified weakness is that the region lacks a regional strategic document for environment management which points to the fact that the region does not have a clear and common vision, goals, priorities and measures for environment management.

The units of local self-government have competences in the field of environment management especially with regards to establishing inspection services for issuing B integrated licenses and decisions on environment studies and preparation of LEAPs. The analysis also shows that there is a disparity of the municipal capacities in the region with regards to this competence. Most of the rural municipalities do not have institutional units for these competences. There is a need for measures for establishment of municipal capacities for implementation of this competence in order to establish a system on the local level which will manage the environment in a more efficient manner. The analysis shows that the region has human resources in the private and civil sector, which have some experience and knowledge in sustainable environment management, however there is a lack of professional staff with deeper knowledge and experience in biodiversity valorisation and protection. What is also a weakness for the region is the uncontrolled discharge of waste water and chemical substances in the water and soil as well as the large number of illegal dump sites, which can harm the biodiversity by threatening the water resources, infrastructural capacities, agricultural land and forests in the region. The region does not have an efficient regional approach for forest protection, especially with regards to fire and landslides protection. Therefore, there is a need to define measures which will improve the forest protection and system and will provide coverage of the entire region with a fire protection system.

The image of an ecologically clean area should be maintained and enhanced since the region is most famous for production and processing of agricultural products. The comparative advantages of the region

(favourable climate, relatively clean environment, quality soil, water potential, etc.) provide a basis for further economic development, especially in the agriculture sector and in the area of renewable energy, tourism and "green" industry.

There is certain experience and human resources in the region especially in the domain of agriculture and energy efficiency as well as experience in the domain of ecology and climate change. The region has serious weaknesses with regards to preserving the quality of the natural heritage, mainly because of the problems with solid and liquid waste management. The region still faces the challenge for finding a regional solution to the problem of collection and treatment of solid waste. There is still no regional landfill in the region and waste treatment infrastructure as well as a regional system for disposal and treatment of carrions and livestock waste. Furthermore, there are a small number of waste water treatment plants in the region, part of the water supply system is old, and the system for drainage and atmospheric sewage does not cover the entire region. Most of the villages are not part of this system. There is a need to undertake measures for preparation of technical documentation and construction of various kinds of waste treatment systems which operate in accordance to the relevant legal framework. The identified possibilities point to the advantages from using the IPA funds and the national funds.

The climate factors in the region provide a solid basis for more efficient usage of alternative sources of energy. The region has prepared a Study for usage of renewable energy sources which gives an evaluation of the capacities of the region and recommendation for implementing development activities for more efficient usage of these resources. The Study gives information that the region is relatively windy which provides conditions for constructing windmills for production of electricity. Furthermore, it confirms the fact that there is a large number of sunny days during the year which provides conditions for using the solar energy for heating and electricity production. The analysis also identifies certain regional experience in improvement of energy efficiency of buildings managed by the public sector. In this area there is a gap in the implemented activities and the forerunners are the municipalities with centres in the urban settlements. The analysis determines that there is a lack of regional and local capacities for stimulation for renewable energy usage (sun, wind, and biomass). In order to improve the conditions in this domain, there is a need to define measures which will raise the awareness and educate the inhabitants and entities on the advantages of using renewable energy sources and the effects on the quality and standard of living, as well as measures which would stimulate the increased usage of this type of energy through installation of technology for production of heat and electrical energy.

Climate change is one of the greatest threats to the social and economic life in the region. According to the scientific predictions and analysis, the Southeast region will be the most affected region by the effects of climate change. As part of the strengths it has been identified that the region has prepared a Study on climate change effects on agriculture which is a step towards undertaking measures for mitigation of the effects. The Study provides information on the serious effects of climate change on the agriculture sector and gives certain recommendations for coping with the harmful effects. Among the region's weaknesses, weak and old irrigation systems and water accumulation systems have been identified. In the region there is neither infrastructure for drainage and accumulation of heavy rains, nor a system for analysis and prediction of possible landslides resulting from extreme weather conditions. In this context, there is a need for measures for preparing studies on the effects of climate change on other spheres of the social and economic life of the region and undertaking activities in accordance to the recommendations in such studies as well as preparation of documentation for construction of infrastructure for improvement of water resources management and coping with extreme weather as well as measures for education of the population on climate change effects.

15. VISION AND MISSION OF THE SOUTHEAST PLANNING REGION

VISION

By 2019 the Southeast region will be an attractive place for living, driving force for its own sustainable development, with content and motivated citizens, well-known added value products, attractive destination with visible characteristics and cultural and historical values.

MISSION

Sustainable development of the Southeast region through optimal usage of resources, functional institutions for access to services, investments, innovativeness and competitiveness for improvement of the working and living conditions in the region.

16. STRATEGIC GOALS, PRIORITIES AND MEASURES – EXPECTED RESULTS AND INDICATORS

16.1 Strategic goal 1 – Supporting economic growth in the region

In accordance with the comparative advantages of the region, the results from the conducted analysis and the overall needs of the region, the first strategic goal in the Programme defined for the period 2015-2019 is **Supporting economic growth**.

The Southeast region has important advantages such as the favourable geographic location, close vicinity to two EU member states (R. Greece and R. Bulgaria), excellent climate conditions for production of early gardening crops, large number of active business entities, export oriented processing industry, abundance of mineral raw materials and a large number of industrial zones. On the other hand, the region has a weak institutional support of the business sector; poor road infrastructure and a lack of capital for financing of development projects of the business community.

From a microeconomic aspect, the GDP rate in the region marks a continuous growth; however the fixed asset investments are very low, the export is decreasing and the gross added value in the agriculture sector and the number of companies working in this sector are decreasing.

It is necessary to undertake measures for using the comparative advantages of the region and supporting economic growth. The implementation of this complex goal will be achieved through the following priorities:

Priority 1.1: Institutional support to the business sector for strengthening the capacities of the small and medium sized enterprises;

Priority 2.1: Promotion of the region and attracting investments;

Priority 3.1: Increasing export and improving the competitiveness of the export oriented companies.

Indicators for monitoring the implementation of the strategic goal:

No.	Indicators	Base year value	Value in 2019
1.	Gross domestic product in the Southeast region;	42.261	48.000
2.	Gross domestic product in the Southeast region per capita;	244.207	265.000
3.	Percentage rate of participation in the total GDP of the Republic of Macedonia;	9.21 %	9.8%
4.	Gross added value in agriculture;	12.515	14.500

Priority 1.1: Institutional support to the business sector for strengthening the capacities of the small and medium sizes enterprises

In order to support the development and growth of the economy in the region it is of great importance to establish institutional support, i.e. establishing forms of cooperation among the public and business sector; defining services for support to the business sector; providing adequate financial support to companies and supporting entrepreneurship.

The existing and new institutions for support to the business sector in the region should provide a service package for strengthening the capacities of the small and medium companies, exchange and dissemination of information and increasing the trust between the public and private sector.

This priority contains the following measures:

1.1.1 Establishing a functional and operation Regional business centre for support of consultancy services for small and medium sized enterprises

1.1.2 Construction of a technology park and establishment of business incubators for young entrepreneurs

1.1.3 Improving the competitiveness of the small and medium sized enterprises through investments and establishment of clusters

1.1.4 Capacity development of the small and medium sized enterprises and institutions responsible for the support to business for usage of the European and international funds

1.1.5 Supporting innovativeness in the companies for creating a knowledge-based economy

1.1.6 Supporting entrepreneurship among women and young

1.1.7 Supporting social responsibility of the business sector

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Held meetings of the business communities, number of participating companies; Number of requested and number of provided advisory services for SMEs; Built technology park; Number of established clusters; Number of conducted trainings/trained individuals; Number of submitted and approved applications for IPARD financed projects; Value of the approved IPARD financed projects; Value of the approved means from other funds; Number of companies which have donated in the society; 	<ul style="list-style-type: none"> Number of new registered companies; Number of registered innovations; Number of companies which use the services of the regional business centre; Number of companies which work in the technology park;

Priority 1.2: Promotion of the region and attracting investments

In order to achieve continuous economic growth of the region it is necessary to increase the domestic and foreign investments in all sectors, especially in the sectors in which the region has comparative advantages. The region has a base for attracting investments since it has its own raw materials base and a considerable number of industrial zones. There is a need for undertaking activities for construction of complete infrastructure in the existing industrial zones, as well as promotion of the comparative advantages of the region before potential investors.

Involving the Diaspora and the economic promoters are possibilities for increasing the level of investments in these sectors, especially in the processing industry. Supporting investments in renewable sources of energy will support the development and increase the competitiveness of the companies.

Within the frame of this priority it is important to undertake activities for the following measures:

1.2.1 Promotion of the region and inclusion of the Diaspora

1.2.2 Creating an interactive base for free land sites and unused industrial capacities in the region

1.2.3 Preparation of complete technical documentation for capital infrastructural projects

1.2.4 Construction of a gas pipeline infrastructure

1.2.5 Construction of infrastructure in the existing industrial zones

1.2.6 Attracting investments in the processing industry

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Number of participations on fairs in the country and abroad; Number of meetings with the Diaspora; Number of prepared capital projects; 	<ul style="list-style-type: none"> Volume of fixed assists investments Number of newly established companies in the industrial zones; Length of the constructed faecal and atmospheric sewage in the industrial zones (in km); Number of paved roads in the industrial zones. Length of constructed gas pipeline network (in km); Number of companies connected to the gas pipeline network; Number of newly opened capacities in the area of the processing industry;

Priority 1.3: Increasing export and improving the competitiveness of the export oriented companies

One of the most important indicators for the competitiveness of the region is its export potential. Agriculture is the priority sectors with the highest export potential in the region. The Southeast region creates almost a third of the total gross added value of the agriculture sector, forestry and fishery. In the last period even though the fixed assists investments in agriculture have increased manifold, the gross added value has decreased, and the export has a continuous downward trend. It is an imperative for the region to stop these tendencies.

This priority has the aim to support export and create an easier access to foreign markets for the export oriented companies, in order to create a competitive economy and increase the competitive advantages of the region.

The implementation of this priority includes number of measures and activities for supporting the export orientation of the businesses such as:

1.3.1 Analysis of the export markets and creation a data base of the export production

1.3.2 Branding of the export products and their promotion on targeted regional and international markets

1.3.3 Supporting the implementation of standards among the export oriented companies

1.3.4 Support for introduction of new technologies in the export oriented companies

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Number of prepared studies and analysis; Number of protected brands and product with a geographic origin; Number of implemented projects for introduction of standards; Number of companies which have implemented standards; Number of companies which have introduced new technology. 	<ul style="list-style-type: none"> Volume of the export in the region; Number of export oriented entities;

16.2 Strategic goal 2 – Sustainable development of tourism and culture

The Southeast Planning Region has large tourism potentials and established tourism offer for different types of tourism. The potentials serve as a basis, however are not sufficient for attracting domestic and foreign tourists. In order for tourism to have a considerable effect on the economic development of the region it is necessary to continuously invest in the tourism infrastructure, better presentation of the tourism offer and strengthening of the human resources capacities. Sustainable development can be achieved only through this concept which encompasses gradual and steady development of tourism and culture within the frame of the realistic possibilities and conditions offered within a determined time period.

Sustainable tourism and culture development as a strategic goal means using the potentials of the region, using the possibilities, as well as maintaining a balance between the economic, ecologic and overall social needs of the region. This is a long-term and safe concept, based on the cooperation among all stakeholders with the intention to create lasting values, which will satisfy the specific needs of the tourist and will create conditions for better placement of the tourism products.

The strategic goal will be implemented through the following priorities:

Priority 2.1: Development of tourism and cultural infrastructure

Priority 2.2: Integrating the tourism offer and promotion of the tourism destination

Priority 2.3: Development and networking of human resources

Indicators for monitoring the implementation the strategic goal:

No.	Indicators	Value in 2013	Value in 2019
1.	Number of tourist;	109.982	135.000
2.	Number of overnights;	327.279	410.000
3.	Number of rooms;	2.346	2.700
4.	Number of beds;	6.298	7.000
5.	Average length of the tourism stays.	2,97	3,03

Priority 2.1: Development of tourism and culture infrastructure

Infrastructure has been identified as one of the main obstacles for greater development of tourism in the region. Even though the region has a good geographic location and two important road connections pass through it (A1 highway and A4 motorway) and there are three border crossings (Bogorodica, Dojran, Novo Selo), the tourism infrastructure is on a lower level compared to the European standards. Additional obstacles connected to infrastructure are the lack of care for the cultural and historical capacities, illegal dumpsites near the tourism localities, poor communal infrastructure in the rural areas and weak tourism signalisation which offers sufficient information and signs for the tourism localities in the region. The aim of this priority is to overcome the weaknesses and to use the possibilities of the region for the improvement of tourism and culture infrastructure by:

Construction of the road section Demir Kapija – Smokvica of the A1 highway will improve the connection of the region and will create possibility for development of transit tourism since this is the main state artery (corridor north-south) which serves as transit for a large number of passengers which constantly increases.

Using other possibilities for development and improvement of the road infrastructure leading to the natural and cultural localities (European and international funds, state and municipal budgets, funds for development of villages and areas with specific development needs).

Greater efforts for protection of the cultural heritage and implementation of activities for conservation, restoration and reconstruction of the cultural and historical monuments.

Investing in the development of new tourism attractions (panorama trams, ethno villages, etc.) which will have a positive influence on the development of the cultural and church tourism. Apart from standard ways of financing of investments in this field there is a possibility for creating partnerships between the public and private sector and establishment of a model for sustainable tourism development in the region.

This priority encompasses the following measures:

2.1.1 Improvement of the tourism infrastructure and signalisation

2.1.2 Development of tourism attractions, services and capacities

2.1.3 Protection of the natural and cultural heritage

2.1.4 Development and arrangement of the tourism zones

2.1.5 Improving the infrastructural conditions in the areas with specific development needs and the villages

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Length of mapped pedestrian trails (in km); Length of mapped and constructed bicycle trails (in km); Number of established tourism attractions; Number and capacity of the newly opened accommodation capacities; Number of renovated accommodation capacities; Number of arranged cultural and historical sites; Number/value of implemented project in the areas with specific development needs; Number/value of implemented projects for development of villages. 	<ul style="list-style-type: none"> Length of constructed and reconstructed access roads to tourism destinations (in km); Number of arranged tourism localities; Number of set up signs and information boards; Value of the invested means in projects for improvement of tourism infrastructure.

Priority 2.2: integration of the tourism offer and promotion of the tourism destination

Sustainable tourism foresees valorisation of the comparative advantages of the region and creating a quality and innovative tourism offer, adjusted to the contemporary tourism market. Therefore the large offer of tourism products from various kinds of tourism is an important potential for the development of the tourism destination Southeast, however there is a need for its integration and creation of several tourism packages for visits to the Southeast region. Furthermore it is also necessary to strengthen the infrastructure for support and promotion of tourism represented by tourist information centres and multimedia centres for tourism promotion. The task is to provide information on the tourism attractions in the region, touristic tours and trips, tourist guides, information on accommodation in the hotels and private houses, information on the catering capacities, possibilities for renting a bicycle, car, etc.

The tourist information centres should have maps, guides, postcards, souvenirs and other promotional material. This concept will allow for the improvement and unification of the presentation of the cultural and historical heritage, thereby providing the tourist with a clear picture for the history of the region, which they will take with them. The additional potentials of the region should add up to the basic tourism offer and to contribute to the increase of the length of the stays in the region. The establishment of a body/organisation for tourism destination management will create long-term positive trends in the field of tourism.

The following measures will be implemented within the frame of this priority:

2.2.1 Establishment of functional and operational tourist information centres and multimedia centres for tourism promotion

2.2.2 Networking of the tourism entities and establishment of an organisation for tourism destination management

2.2.3 Integrating the cultural and sports events in the tourism offer of the region

2.2.4 Branding and promotion of the tourism destination

2.2.5 Promotion and support for different types of

2.2.6 Categorisation and standardisation of accommodation and catering capacities

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Establishment of a body for tourism destination management; Number of networked tourism entities; Creation of a visible brand for the region; Created tourism offer for the region; Number/value of implemented projects for development of different types of tourism; 	<ul style="list-style-type: none"> Number of operational tourist information centres Number of multimedia centres for tourism promotion; Number of fairs on which the tourism destination is presented; Number of categorised catering capacities;

Priority 2.3: Development and networking of human resources

There is a large number of catering capacities in the region and the inhabitants are known for their hospitality. The main precondition for implementation of the ambitious efforts is strengthening the capacities of the staff in the tourism and cultural sector. It is necessary to eliminate the determined weaknesses in the SWOT analysis (lack of motivation among the young for working in the tourism and cultural sectors, low number of licensed tourist and mountain guides and lack of cooperation among the entities in the field of education, culture and tourism) and using all the available possibilities such as: using the means from the European and international funds, identifying the work force needs, training, requalification and further training of staff, creating a partnership relation among all stakeholders, implementing motivational campaigns, etc.

The implementation of this priority encompasses several concrete measures and activates for:

2.3.1 Education of the staff working in the tourism and catering sector;

2.3.2 Increasing the motivation for working in the tourism sector among the young;

2.3.3 Improving the cooperation between the cultural, educational institutions and the tourism sector;

2.3.4 Building capacities of the staff working in the tourism and catering sector for better usage of the means from the European and other international funds;

2.3.5 Improving cross-border and cross-national cultural cooperation;

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Number of implemented trainings; Number of trained persons; Number of conducted campaigns for motivation of young people working in the tourism sector; Number of submitted and approved applications for IPARD financed projects; Value of approved IPARD financed projects; Number of submitted and approved application for projects financed by other funds; Established cultural cooperation in the region with other regions abroad 	<ul style="list-style-type: none"> Number of employed persons in the tourism sector; Number of persons enrolled in vocational high schools tourism education; Number of persons enrolled in faculties in the field of tourism; Number of licensed tourist and mountain guides;

16.3 Strategic goal 3 – Social and economic security in the region

In accordance with the conducted analysis and the result from the strategic tools used in the work with the stakeholders (PEST and SWOT analysis), comparative advantages and needs of the region in regards to the social sphere and education, the third strategic goal should provide social and economic security in the Southeast Planning Region.

Apart from the good geo-strategic location, the close vicinity to two EU member states (R. Greece and R. Bulgaria) additional positive external factors are: the successful implementation of the decentralization processes, the positive legal regulations and their harmonisation with the European legislation, the positive GDP trend, the existence of a solid social infrastructure even though insufficient, positive natural growth of the population.

The negative aspects are: the increase of the public debt, the upward trend of poverty, migration (from the region and from the country), unfavourable conditions for elderly care, increase of the “spectrum” of socially vulnerable categories and insufficient capacity for child care (up to 5 years of age).

The flexibility, innovativeness and efficient working force, the favourable infrastructure for Internet and informatics, the good inter-municipal cooperation and the cooperation with the social centres should eliminate the insufficient financial means for social policy and education, the lack of institutional and non-institutional cooperation for adult education (requalification and further training), lack of school equipment, lack of professionals in certain sectors, lack of balance between the offer and demand of the labour market and increase of the number of people living under the threshold of poverty (even though the region has the lowest number of recipients of social financial assistance).

The threats for the region are the migration of young and educated person, the decrease in the number of students and the impact of climate change.

The social sphere parameters such as the positive trend of active population, largest employment and lowest unemployment rate compared to the other regions and the national level should be maintained.

It is necessary to undertake measures for using the comparative advantages of the region thereby improving the social conditions and creating conditions for education in accordance to the labour market needs.

The abovementioned will be achieved through the following parameters

Priority 3.1: Cooperation and coordination between the educational institutions and the business sector.

Priority 3.2: Improving the living conditions in order to decrease the migration process in the region.

Priority 3.3: Improving the living conditions of the marginalised categories and vulnerable groups.

Priority 3.4: Promoting sports, creating competitive spirit and introducing a competition system among the young population

Priority 3.5: Human resources development and practicing gender sensibility

Indicators for monitoring the implementation of this strategic goal are:

No.	Indicators	Base year value	Desired value 2019
1.	Decreased number of recipients of social financial assistance	1.702	10% decreased number of recipients of social financial assistance
2.	Decreased number of unemployed	18,8%	17% unemployed on the level of the region
3.	Increased % of employees (from the active job seekers)	56,8	1% yearly increase in the period 2015-2019
4.	Increased number of employed people with special needs	N/A	10% of the total number of people with special needs
5.	Number of children in the child care institutions	2.473	1% yearly increase in the period 2015-2019
6.	Number of constructed housing buildings	59.499	1% yearly increase in the period 2015-2019
7.	Capacities for care of old and feeble persons	0	1 institution for care of old and feeble persons
8.	Number of registered clubs and sportsman	N/A	Registered and active 50% of the sportsman in the clubs and associations 5% participated on tournaments, leagues and international gatherings

Priority 3.1: Cooperation and coordination between the educational institutions and the business sector

The priority has the aim to create synergy between the educational institutions and the business sector in order to produce working force which is in accordance with the labour market needs. The flexibility and innovativeness of the work force should provide for the implementation of this priority and ensure continuation of the positive employment trend and decrease of unemployment. Furthermore, special attention should be given to professional orientation and professional education, as well as promotion of entrepreneurship especially among persons with secondary education (an increase of their number).

The improvement of employability with requalification and further training by strengthening the capacities of the high schools should follow the positive trend of certain professions and production of appropriate work force. Adult education, as well as other forms of informal education with the planned measures should improve the capacities for creating an “employable” work force, since the previous experience has given visible results in the conducted analysis.

The improvement of the infrastructure and working conditions in the educational institutions will provide suitable conditions for implementation of the priority, greater practical training of the students before going out on the labour market and creation of active synergy between the educational institutions and the real sector in the process of creating work force in accordance with the needs.

The priority should create conditions for maintaining the employment trend, i.e. decreasing unemployment as one of the problems on regional and national level.

The following measures are identified within the frame of the priority:

3.1.1 Promotion of vocational education and professional orientation through cooperation and direct participation of the business sector – practical knowledge transfer from the business sector into the educational institutions.

3.1.2 The institutional strengthening of capacities in the high schools for requalification and further training for creation of work force in accordance with the needs of the labour market.

3.1.3 Improving the infrastructure and working conditions in the educational institutions.

Outputs and Indicators for monitoring of the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Created curricula and classes in accordance with the needs of the real sector (vocational and professional orientation) Common initiatives of the educational institutions and business sector (promotions, lectures, exchange of practical experience) Number of opened and functional centres in accordance with the needs of the business sector Equipped classrooms, departments for practical work, quantity of educational material and equipment 	<ul style="list-style-type: none"> Number of new classes (in accordance with the needs of the business sector) Number of students who have enrolled and finished these classes Number of joint programmes with participation of the business sector Created conditions and synergy through the number of opened and functional centres in accordance with the needs of the business sector Number of schools which fulfill the conditions/standards for monitoring of education (built and renovated classrooms/departments, procured educational material and equipment)

Priority 3.2: Improving the living conditions in order to decrease the migration processes in the region

Even though in accordance with the statistical data the number of migrations does not have a considerable trend, it is still a priority to keep the population in the rural settlements and to promote the advantages (arable soil, climate conditions, healthy environment). The creation of conditions, especially in the rural settlements is the aim of the second priority of this goal.

The decrease of migration (external and out of the region) through creating conditions for development of the rural areas should provide continuous growth and contribute to the social security of the population.

Child care focused in the rural areas is a problem which is noted in the process of preparation of the strategic tools in the working groups. The creation of conditions for child care (up to 5 years of age) will contribute to greater activity of the working population and increase of the economic activities in the rural areas.

The promotion and support through financial and non-financial services should considerably contribute to initiatives for business and economic growth in the region.

The improvement of conditions in the primary healthcare should ensure a healthy working population and decrease of expenditures of the population when using healthcare services (travelling to the urban centres) and create decent living conditions in the rural areas and areas affected by migration.

With regards to natural disasters and damages from pests and insects, the possible damages caused by the human factor and unforeseeable natural dangers should be put to a minimum through sensitisation.

The following measures are identified within the frame of the priority:

3.2.1 Promotion of the advantages of living in the rural areas.

3.2.2 Improvement of the conditions for child care of preschool children (sensitization of the population, construction, reconstruction and equipping).

3.2.3 Promotion of financial and non-financial services and possibilities for improvement of the living standard.

3.2.4 Improving the primary healthcare conditions in the settlements effected by migration.

3.2.5 Sensitisation and protection of the population from natural disasters, pests and insects.

Outputs and Indicators for monitoring of the implementation of the priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Number of promotional events in the rural areas • Number of started housing constructions in the rural areas • New child care capacities • Number of children in kindergartens in the rural areas 	<ul style="list-style-type: none"> • Number of people who have migrated (left) the SE region • Number of people who have migrated within the SE region “village-city” – “city-village” • Number of newly built homes/housing capacities • Number of sold homes/housing capacities • Improving the conditions for child care (under 5 years) in the child care institutions • Number/capacity for elderly care • Number of trainings/events • Number of trained persons

Priority 3.3: Improving the living conditions of elderly people, marginalised categories and vulnerable groups

The priority has the aim to improve the conditions of the elderly people, marginalized categories citizens and vulnerable categories.

Most of this categories of citizens cannot or do not know how to practice their rights even though they fulfil all the legal conditions. The institutional support should provide better access to services through legal advice, professional and consultancy advice.

Through promotional events, trainings and acquiring practical experience (requalification and further training) the marginalized and vulnerable categories should be brought to decent level of fulfilment of their needs and legal rights. Organising informative and promotional events for activities and measures intended for this category of citizens and motivating all the stakeholders for usage of the available active measures (incentives and subsidies for companies employing persons with special needs). The implementation of additional measure on regional level should improve the condition of the marginalized and vulnerable categories.

The priority should create better condition for the old and feeble persons as a special category of citizens. The region on its territory does not have any capacity for accommodating old and feeble persons. The nonexistence of a specialised institution for accommodation of elderly in some cases is a burden for the financial conditions of the families which are taking care of the elderly, but at the same time it increases the age dependency (41,1) and decreases the possibility for greater economic activity of persons and families taking care of old and feeble persons without receiving adequate services and financial support.

The following measures are foreseen within the frame of the priority:

3.3.1 Institutional support of marginalised and vulnerable categories (including people with special needs) and legal entities for practicing their rights proclaimed by law.

3.3.2 Providing conditions for qualification, further training and employment for recipients of social financial assistance, marginalized categories and people with special needs

3.3.3 Public awareness raising for accepting the marginalized groups and people with special needs

3.3.4 Analysis and creation of a data-base on the current condition and introduction of new services for old and feeble persons

3.3.5 Construction of capacities for accommodation of old and feeble persons

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Number of trainings and promotional events for qualification and further training for marginalised categories and vulnerable groups • Number of initiatives for employments of marginalised categories and vulnerable groups (advertisements, advice, other services) • Created data-base for old and feeble persons • Built capacities for accommodation of old persons • Number of old persons who have asked for and receive the appropriate service • Number of old people provided with accommodation • Number of submitted requests for accommodating children in foster families 	<ul style="list-style-type: none"> • Number of qualified and further trained persons from the marginalised categories and vulnerable groups • Number of employed persons from the marginalised categories and vulnerable groups • Number of companies which have employed persons from marginalised and vulnerable groups • Number of persons in the data-base of old and feeble persons • Number/capacity of the homes for elderly persons • Number/capacity of the day centres for old and feeble persons • Number of foster families (children without parents and parent care) • Number of children living in foster families

Priority 3.4: Promoting sports, creating competitive spirit and introducing a competition system among the young population

The priority has the aim to improve the conditions for recreational and professional practicing of sports among the young population (primary school and high school).

This priority will not only contribute to having a healthy young population, but will also eliminate and prevent addictions, decrease socio-pathological conditions and prevent contemporary diseases.

The measures for creating a sports and competition spirit among the young will provide conditions for competitiveness not only in sports but in all spheres of life of the young. Boosting the entrepreneurial spirit, career development and success in work.

The establishment of competition systems (leagues, tournaments and other competitions) will create an institutional basis for organised approach to sports. The implementation in the primary schools and high schools will provide sustainability and continuous improvement of sports and sports competitions.

The priority should support the creation of conditions for practicing sports through building physical capacities (sports halls, playgrounds, equipment, etc.) as well as providing support to sports and sports events through promotional activities.

Apart from creating a healthy young population, sports events can create synergy with other sectors such as economy and social policy (inclusion and support of marginalised persons and persons with special needs). Through sports activities the business sector can be involved with public-private partnership and can contribute to the improvement of the living conditions and creating conditions for economic activity and increasing the living standard of the population.

Even though in accordance to the institutional frame the target territory of the planning regions is the local (municipal) and regional level, the development can be also achieved by international promotion of the region through sports events and gatherings (projects for cross-border and trans-national cooperation).

The implementation of this priority and the creation of synergy with the other sectors and priorities will create more comprehensive conditions for economic and overall development of the region.

The priority foresees the following measures:

- 3.4.1 Improving the conditions for sports of the young
- 3.4.2 Establishing a system for competition, upgrading system based on results (group and individual sports) in primary schools and high schools
- 3.4.3 Support and promotion of sports on local, regional and international level

Outputs and Indicators for monitoring of the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Number of initiatives for registration of sports clubs, sports schools • Newly build sports halls, playgrounds, procured equipment • Organised tournaments, established leagues and memorial sports events • Number of registered young people for participation is tournaments, sports leagues, memorial sports events 	<ul style="list-style-type: none"> • Number of newly opened sports schools/centres • Number of newly built sports capacities • Number of leagues/tournaments organised in the region • Number of students participating in competitions/tournaments in the region • Number of students participating in competitions/tournaments outside of the region

Priority 3.5: Human resources development and practicing gender sensibility

The priority has the aim to strengthen human resources on institutional level (municipalities, Centre for Development of the Southeast Planning Region) thereby creating conditions for employment and self-employment, greater involvement of the civil sector as well as greater participation of women in the management and decision-making processes.

Apart from the education institutions which have the right and obligation to educate and create work force, the priority should create conditions for direct involvement of other institutions on local and regional level for institutional and non-institutional improvement of employability. The fact that the region has the lowest number of graduated students compared to the other regions, should motivate the institutions and other stakeholders to find solutions for creating a competitive and flexible workforce prepared for the challenges and needs of the labour market.

Strengthening the capacities of the local self-governments and the regional bodies (Centres for development of the planning regions, incubators and business centres for SMEs support) should broaden the spectrum of support in order to create a work force with knowledge and skills needed on the labour market. Even though the region has favourable parameters with regards to the activity of the population, level of employment and unemployment percentage, still certain indicators are growing (even though the lowest unemployment percentage has a continuous growth in the last three years of the analysed period).

The promotion of events, active measure (existing and creation of new) should contribute to easier access to information and other services for the stakeholders, i.e. the active job seekers and companies/institutions who need workers with certain skills and knowledge.

The priority also contains a gender component. Creating conditions for greater participation of women in the management and decision-making processes will give an additional dimension to the development of the Southeast region and will eliminate the discrimination for certain working positions, as well as prejudice and stereotypes. The fact that 5 of the managers of the Centres for Development of the Planning Regions are women should be a sufficient motive in gathering experience and implementing the priority.

The intensive inclusion of the civil sector in the implementation of the priority encompasses implementation of initiatives which are coming directly from the stakeholders. The civil associations and organisation as active representatives in certain segments and representatives of the citizens for the fulfilment of their requests and needs should confirm the usage of the "bottom up" principle in the process of solving problems and implementing measures through individual activities.

The priority foresees the following measures:

- 3.5.1 Strengthening the capacities for creating work force in accordance with the labour market needs
- 3.5.2 Information, promotion and support for employment and self-employment
- 3.5.3 Capacity development of women for active participation in the decision making processes on local and regional level
- 3.5.4 Support to the civil sector in the process of making decision on local and regional level

Outputs and Indicators for monitoring of the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Number of participants on info-days, trainings as workshops for promoting activate measures for acquiring new skills and knowledge in accordance with the labour market needs • Number of women participants and number of leadership and entrepreneurship events • Number of women applicants on public advertisements for managerial working positions • Number of submitted initiatives (proposal, projects, events and etc.) from the civil sector on local and regional level 	<ul style="list-style-type: none"> • Number of organised info-days, trainings and workshops for improvement of employability • Number of public event for promotion of employment and self-employment possibilities • Number of women on managerial positions (policy and real sector) • Number of adopted initiatives by the civil sector on local and regional level

16.4 Strategic goal 4 – Development of a modern infrastructure for economic development and improved living standard

In accordance with the conducted analysis and the result from the strategic tools used in the work with the stakeholders (PEST and SWOT analysis), and the comparative advantages and needs of the region with regards to transport and infrastructure, the fourth strategic goal should improve the interconnectedness and the international connection in order to improve the quality of life of the citizens and to attract investments.

A positive external factor is the initiative for accession to NATO, while a negative one is the lack of harmonisation of the national legislation and the competences especially in the domain of road infrastructure.

The external economic factors are assessed as positive in regards to the increase of the budget rates for infrastructure investment, the possibilities for using EU funds and positive conditions and possibilities for public-private partnership.

Negative factor in the social sphere are migration and the lack of population growth in the region.

With regards to technological factors possibilities for usage of new technologies in transport and traffic are noted such as GPS, ICT and possibilities for using broadband internet.

The closeness of settlements within and among the municipalities, as well as the number of transport means (even though old) are a basis for the conclusion that there is good communication connectivity. The existence of many architecture and construction companies in the region is defined as strength.

The possibilities of the region are the good geo-strategic location and the good communication connections for development of economy, i.e. business.

The weaknesses are: the poor road and transport connectivity which should be improved with good communication connectivity and transport means, lack of work force in certain sectors lack of cooperation among the mayors, low capacity for implementing EU projects, no underground land registry, old water supply, drainage and waste water treatment systems, lack of parking places going hand in hand with the lack of legal regulation on medium legislation level (there is political and financial power only on local and national level).

The following threats to the region have been noted: invalid strategic documents and invalid urban plans, unsuitable maintenance of the road and transport infrastructure and lack of capacity and inadequate locations of the parking places (in regards to economic development, transport safety and security and attracting tourists).

Additional weaknesses for faster and positive development are the lack of railway infrastructure in the region (with the exception of Gevgelija). It is necessary to undertake measure for using the comparative advantages of the region, the close vicinity to two EU member states and the good strategic connectivity and communication, in order to improve the living standards and create conditions for attracting investment (domestic and foreign).

Regarding the energy infrastructure, the restrictions of the competences on regional level should be mentioned. The high energy dependence of the region gives importance to this priority through creating conditions for using sustainable energy sources (using wind, sun and small hydro power plants). Natural gas is an additional energetic material for which there are basic conditions for usage. This can contribute to supporting the development of the region in the direction of using cheap energetic materials in the industry and households.

The abovementioned can be achieved through the following priorities:

Priority 4.1: Modernisation and enlargement of the road and transport infrastructure

Priority 4.2: Improving the existing and building new communal infrastructure

Priority 4.3: Improving the energy infrastructure

Indicators for monitoring of the implementation of the strategic goal:

No.	Indicators	Base year value	Desired value in 2019
1.	Improved and quality transport of goods and services (connection, comfort, duration of the travel)	132 km A roads 485,2 km regional road network 888 km local road network	10% increase of the length of the road infrastructure (km)
2.	Increased number of transported passengers	1.49 mil. road transport 3,45 mil. taxi transport 35.000 rail transport	25% increase of passenger is road transport 5% increase of passenger in taxi transport 10% yearly increase of passenger in rail transport
3.	Number/km of communal infrastructure on local and regional level (water supply and treatment systems)	87% coverage with water supply in rural areas 95% coverage in urban areas 1 water treatment plant with 3000 equivalent inhabitants	90% coverage with water supply systems in rural areas 97% coverage in urban areas 3 water treatment plants – 50.000 equivalent inhabitants
4.	Newly installed electricity capacities – quantity of supplied energy	2 MW	50 MW period 2015-2019
5.	Area of land watered with irrigation systems	14.585	5% increase of the area covered with irrigation systems 5% increase of users
6.	Quantity of produces water (drinking and technical water)	99,36 mil. m3	1% yearly increase of the quantity of water in the period 2015-2019W
7.	Quantity of discharged untreated water	91,71 mil. m3	1% yearly decrease of the quantity of discharged untreated water in the period 2015-2019

Priority 4.1: Modernisation and enlargement of the road and transport infrastructure

One of the most important preconditions for appropriate modernisation and enlargement of the road and transport infrastructure is the existence of a record of the underground installations. The lack of such record creates problems for interventions (reconstruction or construction) which put into question the quality of the existing underground infrastructure.

Even though in the process of preparation of the programme the problem with regards to the competences over the regional and motorway infrastructure was mentioned, there was considerable interest on local and regional level for improvement of the road infrastructure on all levels (A – roads, regional and local). The region shows a positive trend with regards to increasing the length of the road infrastructure. The noted expected results are: increasing the length of paved road in relation to the unpaved and uncut, providing technical documentation and construction of the road and transport infrastructure, as well as horizontal and vertical signalisation. As noted in the analysis of the Transport and Infrastructure sector

the crossroads and connections to the main and regional roads are in a poor state, there is inappropriate signalisation on dangerous spots (black spots) and poor lighting of the important points and buildings.

Except for the passenger and other commercial road transport vehicles, horizontal and vertical signalisation was defined for the pedestrians as a vulnerable category in the traffic. Apart from the technical documentation, studies and analysis, there is also a need for soft measures, i.e. signalisation for drivers and pedestrians.

With regards to air transport, there is no detailed analysis since there is no existing infrastructure. However, in accordance with the national strategies and documents on regional level there is a need of a sports airport, which can also be used for commercial purposes will provide a solid basis for air traffic development.

With regards to rail transport limited competence on regional level for improvement of the infrastructural conditions have been defined. The need for greater coverage with rail transport as part of this priority is defined as a precondition for comprehensive development of the region and its complete connection with other types of transport. At the moment only one municipality is covered with this type of transport (Gevgelija).

The priority should create conditions for maintaining the development trend and its implementation will have the needed dynamics in order to follow the dynamics of the neighbouring countries.

The following measures are foreseen for this priority:

4.1.1 Establishment and preparation of an underground land registry for the existing infrastructure (underground installations)

4.1.2 Modernisation of the existing and construction of new local, regional and motorway infrastructure

4.1.3. Improvement of the existing and new horizontal and vertical signalisation

4.1.4. Improvement of the lighting on the road infrastructure (crossroads, important buildings, dangerous sections, etc.)

4.1.5. Measures for protection of pedestrians as participants as a vulnerable group in the traffic

4.1.6 Preparation of technical documentation and construction of an airport for sports and commercial purposes

4.1.7 Creating conditions for improvement of the rail transport

Outputs and indicators for monitoring of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Prepared General and Detailed Urban Plan and technical documentation • Prepared feasibility studies, analysis and studies • Length of reconstructed and newly built road infrastructure (regional and local roads) • Number of projects/applications for improvement of the condition of the road and transport infrastructure • Prepared documentation, replacement of the old ad installation of new road signalisation, lighting and marking of dangerous and important points and buildings • Number of trainings for the participants in the traffic • Functional and sustainable system for maintenance of the road infrastructure 	<ul style="list-style-type: none"> • Number of prepared technical documentation (General and Detailed Urban Plan) • Number of feasibility studies and analysis • Number of prepared technical documentation = projects (local and regional road and transport infrastructure) • Number/km of constructed and reconstructed local and regional road and transport infrastructure • Number/km of replaced and new road signalisation (horizontal and vertical) • Decreased number of traffic accidents • Number of pedestrian crossings, parking places and other equipment • Number/km of maintained roads

Priority 4.2: Improvement of the existing and construction of new communal infrastructure

The improvement of the living condition and standard of the population is the main goal of this priority. Same as for the road and transport infrastructure the main precondition for this priority is the establishment of a record of underground installation. With regards to the communal infrastructure this is of great importance for the maintenance and possible construction of new infrastructural capacities.

The lack of such records causes problems for investment (reconstruction and construction) which puts in question the speed and quality of the delivered service connected to communal infrastructure.

The lack of technical documentation, detailed and urban plans, detailed feasibility studies, analysis and studies for communal infrastructure define the primary outputs for this priority.

The lack of quality drinking water is one of the greatest problems in the region. The percentage of water losses is extremely high and there are problems with the collection of payment for the delivered services.

There is a considerable lack of water supply and wastewater disposal systems in the rural areas which are less cored than the urban areas. Apart from the lack of communal infrastructure, the quality of the existing systems is not on a satisfactory level.

The urban areas are covered with systems for wastewater disposal, but the situation is worrisome in rural areas. The problem is even greater due to the fact that in the region there is only one waste water treatment plant (Dojran).

With regards to the irrigation systems and the usage of technical water (watering greenery, hygiene and sanitary need of the public buildings and road), the region is on a very low level. In most cases these needs are satisfied with the drinking water system, which increases the lack of water and registered losses.

The priority should create conditions for improving the quality of life of the population as well as improvement of the conditions for business development and providing quality services.

The following measures are foreseen for this priority:

4.2.1 Introduction and preparation of underground land registry for the existing communal infrastructure

4.2.2 Improvement of the existing and construction of new water supply systems

4.2.3 Improvement of the existing and construction of new wastewater treatment systems

4.2.4 Improvement of the existing and construction of new irrigation systems

4.2.5. Improvement of the existing and construction of new communal infrastructure for industrial and tourism zones

4.2.6 Improvement of the existing and construction of new systems for technical water (washing streets, watering parks and greenery and other purposes)

Outputs and Indicators for monitoring of the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Prepared feasibility studies, analysis and studies Prepared technical documentation (water supply systems, wastewater treatment systems , technical documentation for waste water treatment plants, irrigation systems) Improved water supply and wastewater disposal Larger area of land using irrigation systems Number of users (water communities) Established system for maintenance and payment collection Number of prepared projects/applications 	<ul style="list-style-type: none"> Number of feasibility studies and analysis Number of technical documentation (water supply systems, wastewater treatment systems , technical documentation for waste water treatment plants, irrigation systems) Number/km od reconstructed/constructed water supply systems, waste water treatment plants, technical documentation for wastewater treatment plants Number of connections to the water supply and sewage system Area of land covered with irrigation systems Increased payment collections from irrigation water users (water communities) Number of connections Increased payment collection (water supply and sewage) Number of approved projects/applications

Priority 4.3: Improvement of the energy infrastructure

With regards to the energy infrastructure there is once again a problem with the competences on local and regional level.

The priority was defined due to the large dependency of the region on energetic materials as well as the possibility for using renewable energy sources because of the natural characteristics of the region (sunny days, wind, and biomass).

The lack of records for the underground infrastructure causes problems for investments (reconstruction and construction) which put into questions the speed and quality of the delivered energy and other energetic materials.

The possibility for using natural gas and a cheap energetic material for the population and for the industry is defined as a priority, which will contribute to the improvement of the living standard and the economic development of the region. The existence of a primary gas pipeline infrastructure and the calculation of expenditures for the introduction of this energetic material (cost effectiveness) support the feasibility.

The priority should create condition for improving the living standard of the population

The priority should create conditions for improving the quality of life of the population as well as improvement of the conditions for business development and providing quality services.

The following measures are foreseen for this priority:

4.3.1 Introduction and preparation of underground land registry for the existing energy infrastructure

4.3.2 Using the hydro-energy potential – small hydro power plants (PPP)

4.3.3 Preparation of technical documentation and gasification of the SE region

4.3.4 Preparation of technical documentation and construction of systems using renewable sources of energy (sun, wind, biomass)

4.3.5 Preparation of technical documentation and connection to primary and secondary energy stations

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Prepared feasibility studies for energy and energy efficiency Implemented projects and used renewable sources of energy (including small hydro power plants) Stable energy supply system Number of interested users of gas as an energetic material (individuals and business sector) Established sustainable maintenance and payment systems Number of initiatives for public private partnerships Number of projects/applications 	<ul style="list-style-type: none"> Number of feasibility studies and analysis Installed new capacities for electricity KW/h-MW/h (including renewable sources of energy – sun/wind/biomass) Number of connections Decrease number of power network shortages Number of implemented PPP Number of approved projects/applications

16.5 Strategic goal 5 – Development of competitive agriculture and improving the life in the rural areas

The Southeast region is the largest and most well-known agricultural region in the Republic of Macedonia, and the agricultural sector is the leading industry and generator of the development of the region. The largest number of active business entities is in primary agriculture and processing of agricultural products. The sector is comprised of a large number of smaller agricultural holdings and individual producers. Apart from primary agriculture production, there are processing capacities in the region which are mainly represented by SMEs which are export-oriented, flexible and easily adjustable to the market needs.

The location of the region is of strategic importance for these kinds of commercial activities. It is a border region which borders with two EU member states, it has a relatively good road infrastructure and connection within the region and with other parts of the country.

The considerable advantages in the agriculture sector and rural development together with the existing possibilities set the basis for even greater and more intensive development of this field and should be used to the maximum. The growth of the agricultural sector will have direct and indirect positive influence on the other areas of social and economic life.

One strategic goal is defined for this area. It is a product of the conducted analysis which shows that the development of the rural areas is a complex process which depends on a multi-sector approach in the implementation of the development policy and the mobilization of the local resources. The usage of the identifies advantages and possibilities as well as the comparative advantages of the region should create synergies on horizontal and vertical level which will be directed towards efforts for improvement of agriculture as well as the social and economic status of the rural population and quality of life in the rural areas. The strategic goal in the area Agriculture and rural development for the period 2015-2019 is:

Development of competitive agricultural production and improvement of the quality of life in the rural areas

The goal itself is complex and it is directed towards improvement of the growth of the competitive agricultural production and diversification of the rural economy, taking into consideration the improvement of the quality of life in the villages by improving the functionality of the infrastructure and maintaining and improving the demographic and social and cultural values.

The implementation of this goal will depend on the establishment of a clear political vision of the central and local government, defining and harmonisation of the development instruments and programmes of the line ministries and providing a simple and functional access to the national and European funds.

The implementation of this goal will be achieved through the following four priorities:

Priority 5.1: Supporting the growth of agricultural production

Priority 5.2: Supporting diversification of the economy in the rural areas

Priority 5.3: Development of a functional infrastructure in the villages and areas with specific development needs

Priority 5.4: Preserving the demographic, social and cultural values in the rural areas

Indicators for monitoring the implementation of this strategic goal are:

No.	Indicator	Base year value	Value in 2019
1.	Gross added value in agricultural production	30.74 %	45.00%
2.	Fixed assets investments in agriculture	22.17%	38.00%
3.	Amount of the means invested in joint economic, educational, social and cultural project for connecting the rural areas with the larger urban centres within the region	11,070.000 MKD	123,000.000 MKD
4.	Amount of the means invested in health and social services and cultural events for improvement of the quality of life in the rural areas within the region	12,500.000 MKD	127,000.000 MKD

Priority 5.1: Supporting the growth of agricultural production;

This priority has the aim to have an impact on the growth and competitiveness of agriculture and the processing industry.

The Southeast region should use its image of an agricultural region as a driving force for even more advanced, coordinated and complex activities for further development and even greater recognition as an European agricultural region. The agricultural and processing capacities of the region are visible and can be easily mapped. Part of these entities has introduced modern technologies and production and working standards. The region also has a value chain structure of purchasing and distribution centres and agro stock market; however there is a need and potential for further development.

The results of the conducted analysis define the need for introduction of institutional forms of organisation and active support for increasing competitiveness of the economic entities in the agricultural and processing sector through establishment of possibilities for association, organised joint approach, introduction of new technologies and working standards, providing quality and adequate support for improving the quality of the final product and use of innovations.

Moreover, it is necessary to conduct measures for easier access to available financial means as well as promotion of different forms of joint investments in order to increase the capacities and competitiveness of the industry for food production and processing.

This priority contains the following measures:

5.1.1 Technical and technological development and innovative approach in agricultural production

5.1.2 Establishment of a system for combating climate change

5.1.3 Promotion and branding of agricultural products in the region

5.1.4 Improving the conditions for green and livestock markets

5.1.5 Improving the IT infrastructure in the agricultural holdings

5.1.6 Connecting agricultural land to the electricity network

Outputs and indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Increased quantity of agricultural products • Increased export of agricultural products • Growth of the agricultural product • Number of protected brands and products with geographic origin • Newly established companies located in the vil-lages • Number of protection measures in agriculture • Electrification of agricultural land (holdings) • Gasification of agricultural land (holdings) 	<ul style="list-style-type: none"> • Volume of produced agricultural products • Volume of exported agricultural products • Participation of the agricultural product in GDP on regional level • GDP on regional level • Number of certificates of branded agricultural products and food • Number of active business entities in the area of primary production and processing of agricul-tural products • Number of newly established companies in rural areas • Number of agricultural cooperatives • Number of certified organic products • Introduced protection measures and networks for various agricultural crops • Number of arranged green and livestock markets • Number of established machinery rings • Number of campaigns and trainings • Number of introduced innovative systems • Volume of investments for connecting agricul-tural land to the electricity network • Volume of investments for construction of an in-frastructure network for gasification of agricul-tural land

Priority 5.2: Supporting the diversification of the economy in the rural areas

The success in the development of rural areas does not depend only on supporting the agricultural and processing industry, but also on comprehensive efforts for creating a climate for more diversified economy and will create a chain of newly created values. Since food production and processing, is based on the physical size of the land, which is previously defined or defined in the process itself depending on the ownership and capacity for cultivating agricultural crops, it can be concluded that the capacity for introducing entities in the sector is limited and depends on the abovementioned factors. On the other hand the agricultural sector needs its own chain of suppliers and resources. In most cases, in the region, such a chain is established and functions with entities which are not always part of the region. This situation generates information that part of the resources (human, material, natural, etc.) remains unused which is a challenge for the development of villages and the quality of life. It can be concluded that these resources can be mobilised for creating other commercial values which will increase the usage of the local resources, diversify the rural economy and improve the living standard.

Moreover, the mobilisation of human, natural and anthropogenic resources will help overcome the stereotyped that agriculture is the only source of development in the rural areas. This kind of approach will position agriculture as the backbone of the rural economy, however at the same time it will show that the other economic activities contribute to the overall social and economic development of the village and its inhabitants.

Taking into consideration all the resources of the Southeast region it can be concluded that there are both conditions and comparative advantages for stimulating processes for diversification of the economy in the rural areas. The climate, natural heritage, culture and traditions, the stable quality of the environment, the profile of the human resources and the well-known agricultural product give a solid basis for the development of a light and environmentally friendly industry, various forms of tourism and other service-oriented sectors, by establishing partnerships, organised support and usage of the innovativeness and creativity of the population.

The measures undertaken for this priority should concern all aspects of support and should be open to various kinds of economic activities.

This priority contains the following measures:

- 5.2.1 Support to the creation of networks, partnership, PPP for cooperation in the rural economy
- 5.2.2 Establishment of tools for financial and non-financial support to entities in the rural economy
- 5.2.3 Stimulating the use of innovativeness in the rural economy
- 5.2.4 Supporting the development of rural tourism

Outputs and indicators for monitoring of the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Newly established functional clusters • Newly established functional cooperatives • Newly established partnerships and cooperation networks • Established body for support of entities in the rural economy • Newly established companies located in the rural areas • Introduced innovations among the entities in the rural economy • Increased amount of investments in the economy located in the rural areas • Increased usage of the IPARD 302 measure • Increased skills and entrepreneurial capacities among the citizens of the rural areas • Increased investments in construction of commercial capacities in the rural areas • New and improved accommodation capacities in the villages • Increased number of employees in the catering sector • Increased number of tourists in the region • Improved promotion of tourism potentials 	<ul style="list-style-type: none"> • Number of established cluster • Number of established cooperatives • Number of established partnerships and cooperation networks • Registered regional body for support of entities in the rural economy • Number of introduced innovations among the entities in the rural economy • Total amount of investments in the economy located in the rural areas • Number of entities – users of means from the national programme for agriculture and rural development and IPARD • Number of trained persons in the rural areas • Number of newly established companies located in the rural area • Number of issued construction permits for commercial capacities in the rural areas • Number and type of accommodation capacities in the rural areas • Number of standardised and categorised capacities and service • Number of tourism products • Number of licenced tourist and mountain guides • Number of overnights in the accommodation capacities in the villages • Type/volume of prepared promotional materials • Number of fears on which the tourism offer of the region has been presented • Value of awarded subsidies and grants for tourism workers in the rural areas • Number of implemented rural tourism development projects

Priority 5.3: Development of modern and functional infrastructure in the villages and areas with specific development needs

The region faces disparities in the social and economic development among the rural and urban settlement as well as difference in the quality and functionality of the infrastructure in the rural municipalities and the municipalities which have a centre in the urban settlements. The reasons for the disparities are the low level of investments in the improvement of the communal and road infrastructure, irrigation systems and other areas which are unsuitably treated due to the lack of financial means in the municipal budgets and the prioritisation of the development activities which is focused on the larger urban settlements as well as monotype investments which are mostly support only the agriculture sector. This kind of approach does not provide conditions for balanced development and contributes to the increase of disparities which are most evident in the areas with specific development needs. The disparities are also caused by the human resource capacities, especially with regards to entrepreneurship, the access to services, and the migration tendency of the young work-able population outside of the country.

The modernisation of the infrastructure will increase the competitiveness of the villages, it will increase their attractiveness, thereby contributing to the opening of new business entities and work places which will positively influence the quality of life and decrease the migration processes. Therefore it is necessary to define and implement measures for improving the quality of life and access to services.

The comparative advantages of the region together with the strengths and possibilities present in the region give the basis for successful implementation of the activities and the establishment of new relations and a balance between the quality of life in the rural and urban settlements.

This priority contains the following measures:

- 5.3.1 Modernisation of the road infrastructure in the villages and areas with specific development needs
- 5.3.2 Modernisation of the communal infrastructure in the villages and areas with specific development needs
- 5.3.3 Construction of new and improvement of the old irrigation systems
- 5.3.4 Supporting the revitalisation and development of villages

Outputs and indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> • Improved the road infrastructure in the rural areas • Improved communal infrastructure in the rural areas • Increased capacity of the irrigation systems • Number of prepared urban planning documentation for the villages • Implemented projects for revitalisation and development of villages – improves urban and special appearance of the villages • Decreased number of areas categorised as areas with specific development needs 	<ul style="list-style-type: none"> • Number of prepared technical documentation for local and regional road network • Number of prepared technical documentation for communal infrastructure in the rural settlements • Number of prepared urban planning documentation for the villages • Volume of direct investments in local and regional road network • Volume of direct investment in communal infrastructure in rural settlements • Volume of investments for revitalisation and development of villages • Length of reconstructed road network (km) • Length of newly constructed road network (km) • Number length and capacity of the newly constructed water supply and irrigation systems • Number and capacity of the reconstructed water supply and irrigation systems • Number of implemented projects for revitalisation and development of villages

Priority 5.4: Preserving the demographic, social and cultural values in the rural areas

The migration from the rural areas is a serious threat, which together with the migration of the young working force is a serious challenge for the development of the region and the development of the agricultural sector; taking into consideration that the sector needs a serious quantity and quality of work force. In order to achieve further development of the agriculture in the region, there is a need for active measures for decreasing the migration process by improving the skills of the rural population in order to improve their competitive abilities. At the same time there is a need for an integrated approach through implementing activities for improvement of the quality of life, both in the area of business activities and providing social and cultural services.

The comparative advantages of the region related to the natural and cultural resources and possibilities for creating partnerships and associations for the implementation of initiatives of municipalities and inclusion of the civil sector, can contribute to joint usage of the existing human resources and other potentials for creating development perspectives. The national programme for agriculture and rural development, the IPARD programme and the programmes of the other line ministries are a serious possibility which can contribute to the mobilisation of the resources and usage of efficient area based development methodologies for changing the current situation.

On the other hand, the natural and cultural resources have the capacity and can be used both for development of the culture and tradition, thereby making the rural population an active creator of contemporary values in the social and cultural sphere, and usage of these values for economic activities in the rural areas.

The measures under this priority should take into consideration all aspects of the social and cultural elements in the rural communities.

This priority contains the following measures:

- 5.4.1 Establishing Local action groups in accordance with the LEADER approach as an IPARD measure
- 5.4.2 Decreasing the effects of migration by stimulating the development and protection of the demographic and social values in the rural areas
- 5.4.3 Supporting protection and management of cultural and natural values in the rural areas

Outputs and indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Registered and functional LAGs (3) Prepared and ready for implementation strategies for development of rural areas (3) Implemented project within the frame of the LEADER measure Improved skills among the farmers Improved skills among the economic operators Increased participation of the civil sector in the implementation of projects Decreased migration rate Promoted rural culture and tradition in the region Promoted traditional products 	<ul style="list-style-type: none"> Number of established and registered LAGs in the SEPR Number of prepared strategies for LAGs Volume of investments in the rural areas through the implementation of the strategies for LAGs Number of implemented project within the frame of the LEADER measure Number of implemented projects from the strategies apart from the LEADER measure Number of trained farmers Number of trained economic entities Number of promoted events Number of migrated persons Number of people who moved into the region Number of newly introduced service Number of new users Numbered of areas with specific development needs Volume of investments into the authenticity of the rural areas Number of fairs Number of participants Number of visitors Number of promoted traditional products Number of promoted traditions

16.6 Strategic goal 6 –Establishing sustainable environmental management systems

The development of the Southeast planning region is possible only if it is founded on sustainable management and protection of the environment. The environmental quality in the Southeast region is in a relatively good state and the region is given the assertion of being ecologically clean region. Nonexistence of great pollutants in the region gives the region a possibility for it to maintain and upgrade its image of ecologically clean region, because this region is most famous for production and processing of agricultural products. Comparative advantages of the region (favourable climate, relatively clean environment, soil of good quality, water potential etc.) provide this region a basis for further economic development particularly in the agricultural sector; as well as in the part of renewable energy resources exploitation, tourism and “green” industry. It is necessary for these advantages to be used and measures for their usage to be undertaken. It is impossible to develop industrial branches without having clearly defined development policy in the field of environment.

The strategic goal for this region is complex and it is defined in accordance with the analysis conducted within which the strengths and possibilities were identified, as well as the comparative advantages of the region. The strategic goal regarding the environment for the period 2015- 2019 is: **Establishing sustainable environmental management systems.**

It must be pointed out that the effects of the implementation of this goal will deepened on the constant present of strong political will and vision of the central government and local governments regarding the realization of the development and protection measures and initiatives, on the extent to which the measures and efforts have been put and implemented, as well as on the provision of financial means and human resources that have enough capacity to embed these measures and initiatives in actual projects.

The strategic goal will be implemented through the following priorities:

Priority 6.1: Environmental management and handling climate change;

Priority 6.2: Biodiversity protection and management of protected areas.

Indicators for monitoring the implementation the strategic goal:

No:	Indicators	Base year value	Value in 2019
1.	Quantity (percentage) of municipal waste collected	66.72%	85.00%
2.	Quantity (percentage) of purified water released	62.07%	85.00%
3.	Coverage of water purification stations for municipal waste-water	1.99%	32.50%
4.	Number of undertaken measures for handling climate change	2	15

Priority 6.1: Environmental management and handling climate change;

The aim of this Priority is to influence on the protection and sustainable environmental management and by establishing mechanisms for handling the phenomenon of climate change.

Known as an agricultural region, the development directions should be defined with measures that at the same time refer to protection and sustainable exploitation of natural resources and in mitigation of climate and climate change. From the natural heritage point of view, the region has numerous and different resources. It is rich in fertile soil, forests, waters and more individual natural monument and natural reserves. As far as environmental protection is concerned, measures that will be effective in individual aspects that influence the preservation of its potentials and in the degradation factors: liquid and solid waste, soils and forests protection, air quality and climate change.

This Priority contains the following measures:

6.1.1 Improving waste management

6.1.2 Protection of surface water and ground water

6.1.3 Soil protection

6.1.4 Forest protection

6.1.5 Improving air quality

6.1.6 Adjustment of the region to the climate change

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Formed and functional regional landfill Functional sewage and atmospheric sewage- newly built and reconstructed Functional water supply network- newly built and reconstructed Established managing body for drainage basins and lake protection Prepared action plans (3) Prepared plans and analysis on protection from floods(10) Cleaned and reforested area Organized campaigns/trainings on waste management (10) Implemented educational activities for handling climate change (10) Implemented methods for protection of agriculture from climate change Prepared programmes on adjusting agriculture to climate change(10) Improved air quality 	<ul style="list-style-type: none"> Founding acts for regional landfill Length of the newly built and reconstructed sewage and atmospheric sewage (in km) Length of the newly built and reconstructed water supply network (in km) Number of cleaned and dislocated dumpsites Number of water purification stations Number of prepared technical documentation for construction and reconstruction of landfills and reconstruction of water supply network and sewage and atmospheric sewage Number of households adhered to the water supply and sewage network Surface of cleaned and reforested area Adopted action plan on protection from erosion Adopted action plan on protection from floods Number of cleaned and built gutters Air pollution coefficient Number of subjects that use alternative energy sources Number of campaigns/trainings held for waste management Number of plans and analysis prepared for protection from floods Action plan for protection from floods adopted by the Council of the Southeast Planning Region Number of programmes prepared for adjusting agriculture to climate change Number of implemented methods for protection of agriculture from climate change Number of printed and distributed materials Number of implemented educational activities for handling climate change

Priority 6.2: Biodiversity protection and management of protected areas

At the same time of the realization of measures in Priority 1, coordinated activities in the field of flora and fauna protection are needed, as well as management and protection of protected areas. Analysis shows that from point of view of protected areas and biodiversity, the region has protected areas- individual natural monuments and natural reserves. When uniqueness of biodiversity is taken into account, the Mono-

spitovo Swamp and the Dojran Lake are to be distinguished as such. One of the stronger comparative advantages of the region in these areas is the Monospitovo Swamp that is the widest water area belonging to the muddy and swampy type in the Republic of Macedonia. That is the last swamp in Macedonia and its current state is just a small remainder of the large underwater surface, reed and humid meadows full of flora and fauna that existed in the past.

The graters dangers for the biodiversity and protected areas originate from the uncontrolled waste and chemical substances release in the water and in the soil, as well as from the numerous dumpsites that can result in biodiversity derangement. Due to this, measures that will be simultaneously integrated that will influence biodiversity protection and protection of protected areas and natural monuments are needed. The measures undertaken within this Priority should be consistent, related and compatible to the measures for environmental protection.

This Priority contains the following measures:

6.2.1 Protection of flora

6.2.2 Protection of fauna

6.2.3 Protection and management with protected areas and natural monuments

Outputs and Indicators for monitoring the implementation of this priority are:

Outputs	Indicators
<ul style="list-style-type: none"> Identified and valorized flora Identified and valorized fauna Prepared analysis on protected areas in existence Prepared analysis on potential protected areas Action plan on management with protected areas by the Council of the Southeast Planning Region Functional steering body for protected areas management Number of implemented projects for protection and promotion of protected areas Number of printed and distributed informative materials Percentage of informed population 	<ul style="list-style-type: none"> Inventory of identified and valorized flora Inventory of identified and valorized fauna Inventory of identified and valorized endemic species Amount of investments in the field of protection and promotion of flora Amount of investments in the field of protection and promotion of fauna Amount of investments in the field of protection and promotion of endemic species Number / circulation and number of distributed printed promotion materials Number of prepared and distributed audio and video materials Number of pages created on social networks and number of visits Number of prepared analysis on protected areas in existence Number of prepared analysis on potential protected areas Established and approved steering body for protected areas management Action plan on protected areas management approved by the Council of the Southeast Planning Region Percentage of informed population Amount of investments in the field of protection and promotion of protected areas;

17. FINANCING AND IMPLEMENTATION OF THE PROGRAMME

Due to the principle of “wide”, i.e. flexible Programme which, at the same time, is focused enough, the strategic goals and Priorities, as well as the foreseen measures are not valued with financial parameters. According to the methodology proposed they may be financially valorised via annual action plans where individual activities will be defined (Article 13 of the Law on equal regional development).

According the Law on equal regional development sources of financing and realization of the strategic goals in this programme documents are defined as follows:

- Budget of the Republic of Macedonia,
- Budgets of local self-government units,
- European Union funds (allocated via instruments for the Republic of Macedonia or instruments that the country has access to),
- Other international funds and sources (bilateral funds, loans, etc.),
- Donations, sponsorships from natural persons and legal entities (including public – private partnerships),
- Other means determined by law.

According to Article 28 of the Law on equal regional development, the instruments for regional development support are defined as follows:

- capital investments,
- grants,
- financing and co-financing of preparation of analysis, studies, planning documents and action plans,
- Financing of institutional capacity building for regional development of the Republic of Macedonia.
- According to Article 29 the financial means of the Budget of the Republic of Macedonia are going to be allocated by the government. The percentage is determined in the following manner:
- 70% for financing projects for development of planning regions,
- 20% for financing projects for development of areas with specific development needs,
- 10% for financing projects for development of villages.

According to the methodology and the approach, the implementation of the Programme for development of the Southeast planning region is going to be ensured by finances provided by the Ministry for local self-government, the Bureau for regional development, as well as by budget items within the ministries that were directly involved in the coordination process and in the preparation of the Programme. The prerequisite is retaining the regional component and compatibility of the Programmes for development of planning regions with the Programmes foreseen for financing the ministries. The possibility of using financial means from the Macedonian bank for reconstruction and development on the basis of loans with favourable interest rates appears as an additional instrument.

These are some of the financing resources for the Programmes:

- European Union funds – IPA, cross-border and transnational programmes, Horizon 2020, EIDHR and other.
- German Development Assistance (GIZ),
- Swiss Agency for Cooperation and Development (SDC),
- United Nations Development Programme (UNDP),
- United States Agency for International Development (USAID),
- World Bank
- Programmes defined with bilateral agreements between the Republic of Macedonia and development agencies, institutions and countries.

The monitoring of the implementation of the Programme is defined by the Law on equal regional development, as well as the exploitation of financial means from the Budget of the Republic of Macedonia for the realization of the strategic goals and Priorities. The monitoring and evaluation of financial projects from other resources is performed with special documents, agreements and instruments.